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LEGISLATIVE HISTORY

Public Law 395—80th Congress

Chapter 526--1st Session

S. J. Res. 167

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INFLATION CONTROL. Authorizes the President to consult with industry, business, and agriculture representatives with a view to making voluntary agreements to provide for allocation of transportation facilities, allocation and inventory controls of scarce commodities, and regulation of speculative trading on commodity exchanges; authorizes the President to approve such voluntary agreements, but prohibits approval of any agreement which fixes prices or extends beyond March 1, 1949; relieves parties to approved voluntary agreements from operation of the anti-trust laws, etc., with respect to such agreements, but provides for review by the Attorney General; extends export-control authority to February 28, 1949; continues authority for allocation of transportation facilities to February 28, 1949, authorizes allocation of grain for distilling purposes until January 31, 1948; authorizes the President to delegate authority under this act to any department, agency, or officer in the Executive Branch; authorizes CCC to carry out projects to stimulate and increase food production in non-European foreign countries, subject to Congressional review; authorizes the President to encourage and promote food and feed conservation program and makes \$1,000,000 available for the carrying out of such a program.



INDEX AND SUMMARY OF HISTORY OF S. J. Res. 167

November 25, 1947      Hearings: House, H. J. Res. 273.

December 10, 1947      H. J. Res. 273 was introduced by Rep. Wolcott and was referred to the House Committee on Banking and Currency. Print of the Resolution as introduced. (Companion Res.)

December 11, 1947      House Committee authorized to report the Resolution during recess.

                             Remarks of Reps. Auchincloss and O'Hara.

December 12, 1947      House Committee reported H. J. Res. 273 with amendments. House Report 1160. Print of the Resolution as reported.

December 15, 1947      S. J. Res. 167 was introduced by Senator Taft and was referred to the Senate Committee on Banking and Currency. Print of the Resolution as introduced.

                             H. R. 4743 was introduced by Rep. Landis and was referred to the House Committee on Banking and Currency. Print of the bill as introduced. (Similar bill).

                             S. 1873 was introduced by Senator Capehart and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced. (Similar bill).

                             Remarks of Senator Capehart on S. 1873.

                             House rejected motion to suspend rules on H. J. Res. 273 or pass the measure.

                             Remarks of Senators: O'Mahoney, Reed, and Taft.

                             Remarks of Reps. Madden, Ludlow, Tollefson, Scott and Ellis.

December 16, 1947      S. J. Res. 167 was reported by Senate Committee with amendments. Senate Report 780. Print of the Resolution as reported.

                             Remarks of Reps. George, Albert, Anderson, and Lynch.

December 17, 1947      Senate began debate.

                             Remarks of Reps. McGarvey, and Buffett

                             Amendments proposed to S. J. Res. 167 by Senators Barkley and Pepper.

December 18, 1947      S. J. Res. 167 passed the Senate with amendments.

                             House Rules Committee reported H. Res. 412 for the consideration of S. J. Res. 167. House Report 1230. Print of the Resolution.



December 18, 1947

Print of S. J. Res. 167 as passed by the Senate.

Print of S. J. Res. 167 as referred to the House and ordered to be printed.

Remarks of Rep. Buck.

December 19, 1947

Print of H. Res. 412 as considered and agreed to.

S. J. Res. 167 debated and passed House without amendment.

Remarks of Reps. Clevenger, Sanborn, St. George, Hall, Klein, Vursell, and Douglas.

December 30, 1947

Approved. Public Law 395.

Statement of the President on signing S. J. Res. 167.

March 1, 1948

Hearings: House, S. J. Res. 167. Regulations of the Office of International Trade on Export Control.









80TH CONGRESS  
1ST SESSION

# H. J. RES. 273

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IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 1947

Mr. WOLCOTT introduced the following bill; which was referred to the Committee on Banking and Currency

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## JOINT RESOLUTION

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

1        *Resolved by the Senate and House of Representatives*  
2        *of the United States of America in Congress assembled,*

3                                DECLARATION OF PURPOSES

4        SECTION 1. The purposes of this joint resolution are to  
5        aid in stabilizing the economy of the United States, to aid in  
6        curbing inflationary tendencies, to promote the orderly and  
7        equitable distribution of goods and facilities, and to aid in  
8        preventing maldistribution of goods and facilities which  
9        basically affect the cost of living or industrial production.

## VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

(3) providing for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production;

(4) providing for regulation of speculative trading on commodity exchanges; or

(5) which will otherwise carry out the purposes declared in section 1 of this joint resolution.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement (1) which provides for the fixing of prices, or (2) unless such agreement specifi-

1 cally provides that it shall cease to be effective on or before  
2 March 1, 1949.

3 (c) Parties to any agreement approved under this  
4 section are hereby relieved from the operation of the anti-  
5 trust laws, and of all other restraints, limitations, and pro-  
6 hibitions of law, with respect to the making of such agree-  
7 ment and with respect to carrying out such agreement prior  
8 to March 1, 1949, in conformity with its provisions.

9 (d) As used in this section the term "person" means an  
10 individual, corporation, partnership, or association.

#### 11 EXPORT CONTROLS

12 SEC. 3. (a) Section 6 (d) of the Act of July 2, 1940  
13 (54 Stat. 714), as amended, is amended by striking out  
14 "February 29, 1948" and inserting in lieu thereof "Feb-  
15 ruary 28, 1949".

16 (b) Notwithstanding any other provision of law, the  
17 President in the exercise of the powers, authority, and dis-  
18 cretion conferred upon him by such Act of July 2, 1940, as  
19 amended, is authorized to use price criteria in the licensing  
20 of exports, either by giving preference among otherwise com-  
21 parable applications to those which provide for the lowest  
22 prices, or, in exceptional circumstances, by fixing reasonable  
23 mark-ups in export prices over domestic prices.

## 1       ALLOCATION OF TRANSPORTATION FACILITIES

2       SEC. 4. Notwithstanding any other provision of law,  
3 title III of the Second War Powers Act, 1942, as amended,  
4 shall continue in effect to and including February 28, 1949,  
5 or such earlier date as the Congress by concurrent resolution  
6 or the President may designate, for the exercise of the  
7 powers, authority, and discretion conferred on the President  
8 by such title III with respect to the use of transportation  
9 equipment and facilities by rail carriers.

## 10                   DELEGATION OF AUTHORITY

11       SEC. 5. The authority granted to the President by  
12 section 2 of this joint resolution and, notwithstanding the  
13 provisions of section 6 of the Second Decontrol Act of 1947,  
14 the authority granted to the President by section 4 of this  
15 joint resolution and by section 6 of the Act of July 2, 1940  
16 (54 Stat. 714), as amended, may, to the extent the Presi-  
17 dent directs, be exercised by any department, agency, or  
18 officer in the executive branch of the Government.

19       RESERVE REQUIREMENTS APPLICABLE TO FEDERAL RESERVE  
20                   BANKS

21       SEC. 6. (a) The third paragraph of section 16 of the  
22 Federal Reserve Act, as amended, is amended by changing  
23 the first sentence of such paragraph to read as follows:

24       “Every Federal Reserve bank shall maintain reserves in  
25 gold certificates of not less than 35 per centum against its



1 deposits and reserves in gold certificates of not less than 40  
2 per centum against its Federal Reserve notes in actual circ-  
3 lation: *Provided, however,* That when the Federal Reserve  
4 agent holds gold certificates as collateral for Federal Reserve  
5 notes issued to the bank such gold certificates shall be counted  
6 as part of the reserve which such bank is required to maintain  
7 against its Federal Reserve notes in actual circulation.”

8 (b) The first sentence of the fourth paragraph of section  
9 16 of the Federal Reserve Act, as amended, is amended by  
10 striking out “25 per centum” and inserting in lieu thereof  
11 “40 per centum”.

12 (c) Subsection (c) of section 11 of the Federal Reserve  
13 Act, as amended, is amended to read as follows:

14 “(c) To suspend for a period not exceeding thirty days,  
15 and from time to time to renew such suspension for periods  
16 not exceeding fifteen days, any reserve requirements specified  
17 in this Act: *Provided,* That it shall establish a graduated tax  
18 upon the amounts by which the reserve requirements of this  
19 Act may be permitted to fall below the level hereinafter speci-  
20 fied: *And provided further,* That when the reserve held  
21 against Federal Reserve notes falls below 40 per centum, the  
22 Board of Governors of the Federal Reserve System shall  
23 establish a graduated tax of not more than 1 per centum per  
24 annum upon such deficiency until the reserves fall to  $32\frac{1}{2}$  per  
25 centum, and when said reserve falls below  $32\frac{1}{2}$  per centum, a

1 tax at the rate increasingly of not less than  $1\frac{1}{2}$  per centum  
2 per annum upon each  $2\frac{1}{2}$  per centum or fraction thereof that  
3 such reserve falls below  $32\frac{1}{2}$  per centum. The tax shall be  
4 paid by the Reserve bank, but the Reserve bank shall add an  
5 amount equal to said tax to the rates of interest and discount  
6 fixed by the Board of Governors of the Federal Reserve  
7 System."

8                   AUTHORIZATION FOR APPROPRIATIONS

9           SEC. 7. There is hereby authorized to be appropriated  
10 such amounts as may be necessary for purposes of carrying  
11 out the provisions of this joint resolution.



80TH CONGRESS  
1ST Session

# H. J. RES. 273

## JOINT RESOLUTION

To aid in the stabilization of commodity prices,  
to aid in further stabilizing the economy of  
the United States, and for other purposes.

By Mr. Wolcott

DECEMBER 10, 1947

Referred to the Committee on Banking and Currency







# DIGEST OF CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued December 12, 1947  
For actions of December 11, 1947  
80th-1st, No. 162

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**HIGHLIGHTS:** House passed interim foreign-aid bill: Agreed to Anderson-Crawford amendment authorizing purchase of price-support commodities and sale under this program at wheat-equivalent prices; agreed to Andresen-Hope amendment requiring 150-million bushel wheat carryover; rejected Gwinn amendment prohibiting payment of more for grain than market price on effective date of bill; conferees to meet today and have authority to submit report during recess. House authorized Banking Committee to report Wolcott anti-inflation bill during adjournment; committee approved measure, but didn't actually report it yet. Rep. Sikes urged forest-resources development and conservation. Reps. Busbey and Mackinnon submitted resolutions to investigate commodity speculation by Government employees.

### HOUSE

- 1. FOREIGN AID.** Passed with amendments H. R. 4604, the interim foreign-aid bill (pp. 11397-427). S. 1774, amended to include the language of H. R. 4604, was then passed, and H. R. 4604 was laid on the table (p. 11427). Messrs. Eaton, Vorys, Mundt, Bloom, and Kee were appointed conferees (p. 11427). Senate conferees were appointed Dec. 10. The conference committee is to meet today (p. D715). Permission was granted to submit conference report in recess (p. 11428). Before passing the bill, the House agreed to the following amendments:  
By Rep. Anderson, Calif., as modified by an amendment offered by Rep. Crawford, Mich., to direct use of price-support commodities in the program at wheat-equivalent prices (pp. 11397-403). The amendment reads as follows: "Notwithstanding any other provision of law, any commodity heretofore or hereafter acquired by any agency of the Government under any price-support program shall, to the extent that such commodity is determined to be appropriate for such purpose and in excess of domestic requirements, be utilized in providing aid to recipient countries under this act, and shall be disposed of by such agency for such purpose at such price as may be determined by such agency, which price may be the equivalent of the domestic market price of a quantity of wheat having a caloric value equal to that of the quantity of the commodity so disposed of. Any such agency shall reveal annually to the Congress the amount of losses incurred by it as the result of the disposition of commodities hereunder and the Secretary of the Treasury is authorized and directed to cancel notes of such agency held by him in an amount equal to the amount of such losses."  
By Rep. Andresen, Minn., to require a minimum wheat carryover (pp. 11410-14). The Andresen amendment specified 200,000,000 bushels, but the House agreed (77-61) to a modification offered by Rep. Hope,



Kans., to substitute a figure of 150,000,000 bushels. The vote on the amendment, as amended, was 109-95. In presenting his amendment, Rep. Hope said he didn't think a limitation was "particularly necessary" but that the 150,000,000 figure "is ample", that he did not think it would interfere with the program, and that, "If it gives any assurance to some people that we have enough wheat for domestic consumption, then I see no objection to adoption..."

Rejected an amendment by Rep. Gwinn, N. Y., providing that, under this program, the prices paid for grain shall not exceed the market price on the effective date of the bill (pp. 11415-6).

2. INFLATION CONTROL. Agreed to Majority Leader Halleck's unanimous consent request to permit the Banking and Currency and Rules Committees to have until midnight Sat., Dec. 13, to report on H.J. Res. 273, the inflation-control bill (p. 11428).

The Daily Digest states that the Banking and Currency Committee agreed to report (but did not actually report) H.J. Res. 273, the inflation-control measure (p. D.715).

This bill authorizes the President to consult with industry, business, and agriculture representatives with a view to making voluntary agreements to provide for allocation of transportation facilities, livestock and poultry marketing at weights and grades to effect efficient grain utilization, allocation and inventory controls of scarce commodities, regulation of speculative trading on commodity exchanges, or agreements which will otherwise carry out the purposes of the act; authorizes the President to approve such voluntary agreements; but prohibits approval of any agreement which fixes prices or extends beyond Mar. 1, 1949; relieves parties to approved voluntary agreements from operation of the anti-trust laws, etc., with respect to such agreements; extends export-control authority to Feb. 28, 1949; authorizes the President to use price criteria in licensing exports; continues authority for allocation of transportation facilities; authorizes the President to delegate authority under this act to any department, agency, or officer in the Executive Branch; provides for increases in reserve requirements for Federal Reserve banks; and authorizes an appropriation to carry out the provisions of the act.

3. FORESTS AND FORESTRY. Rep. Sikes, Fla., urged an adequate program of forest-resources development and conservation (pp. 11435-40).

4. EXECUTIVE ORGANIZATION. Reps. Hoffman, Brown (Ohio), and Manasco were appointed conferees on H.R. 4469, to authorize the Commission on Organization in the Executive Branch to procure temporary or intermittent services of experts or consultants (p. 11395). Senate conferees not yet appointed.

5. FOREIGN RELIEF. Rep. Stevenson, Wis., urged distribution of foreign-aid supplies through charitable organizations (pp. 11395-6).

6. LEGISLATIVE PROGRAM. Majority Leader Halleck announced that the foreign-aid conference report (if ready) would be taken up Mon.; otherwise the inflation-control measure (p. 11428).

7. ADJOURNED until Mon., Dec. 15 (p. 11440).

SENATE

NOT IN SESSION. Next meeting Fri., Dec. 12.



BILLS INTRODUCED

8. FOOD INVESTIGATIONS. H.Res. 400, by Rep. Busbey, Ill., creating a select committee to investigate and ascertain the facts in charges by Hon. Harold E. Stassen and President Harry S. Truman pertaining to profiteering and speculation in fundamental foodstuffs. To Rules Committee. (p. 11440.)  
H.Res. 401, by Rep. MacKinnon, Minn., to investigate the effect on the high cost of living of governmental activities and the extent to which individuals in the Government have speculated in food commodities. To Rules Committee. (p. 11440.)
9. VETERANS' BENEFITS. H.R. 4706, by Rep. Huber, Ohio, to amend the Servicemen's Readjustment Act to provide homes for veterans, through veterans' homestead associations, and the public facilities essential therefor. To Veterans' Affairs Committee. (p. 11440.)
10. PERSONNEL; SALARIES. H.R. 4705, by Rep. Dingell, Mich., to increase the rates of compensation of employees of the Government. To Post Office and Civil Service Committee. (p. 11440.)  
S. 1848 (see Digest 161) provides for a \$1,000 per annum increase in Federal employees' salaries where basic compensation does not exceed \$10,000; such increases to affect pay rates of certain employees of the various branches of Government in the same manner as indicated in the Federal Employees' Pay Act of 1946.

ITEMS IN APPENDIX

11. FARMER COOPERATIVES. Rep. Patman, Tex., inserted Secretary Anderson's speech before farmer cooperative representatives at Everett, Wash., in favor of farmer cooperatives and discussing some of their problems (pp. A5027-9).
12. FARM MACHINERY. Speech in the House by Rep. Andersen, Minn., opposing the export of farm machinery and fuel oil while they are in short supply in the U.S. (pp. A5034-6).
13. GRAIN. Rep. Walter, Pa., inserted a N.Y. Journal of Commerce article claiming that distillers are unable to agree on a voluntary allocation program for grain (p. A5015).
14. INFLATION. Rep. Auchincloss, N.Y., inserted a recent speech by L.H. Brown, Johns-Manville Corp., discussing the inflation problem and claiming that Government purchases of grain and sugar are forcing prices up (pp. A5018-20).  
Rep. O'Hara, Minn., inserted newspaper articles claiming that high prices are a result of unsound monetary policies (pp. A5032-4).
15. HOUSING. Rep. Albert, Okla., inserted a Washington Post article urging extension of the limit on FHA's mortgage insurance authority (p. A5023).
16. FOREIGN TRADE. Rep. McGregor, Ohio, inserted a newspaper editorial opposing shipment of goods to Russia (p. A5014).  
Extension of remarks of Rep. Weichel, Ohio, opposing shipment of goods to Russia (p. A5032).
17. FOREIGN AID. Various articles and remarks on proposed foreign aid (pp. A5012, A5023, A5030, A5030-1, A5038).

18. FOOT-AND-MOUTH DISEASE. The report of the Foot-and-Mouth Disease Subcommittee of the House Agriculture Committee contains the following recommendations for continuing the campaign in Mexico: (1) All-out effort by both countries to hold the quarantine line immediately north of the present infected area and extension and enlargement southward of the sterile zone as rapidly as circumstances permit, with vaccination being used only as an adjunct to quarantine; (2) an understanding by all participants that the program now undertaken is not an abandonment of the effort to eradicate the disease, but merely a postponement until it can be accomplished in a manner acceptable to the Mexican people and tolerable to the Mexican economy; (3) assignment of the best scientists and economists for research and study of the disease and the best methods of eradication in the circumstances; (4) the creation of an office of executive director of the campaign and the selection of a director of outstanding executive ability, responsible directly to the Secretary of Agriculture and acceptable to both countries; (5) the provision for a congressional observer to report to Congress, with authority to examine all the books, records, and documents of the Joint Commission and of the Department pertaining to the campaign; (6) sharing of the costs of the program between the two countries on substantially the same basis as existed immediately prior to Nov. 26, 1947; and (7) that a program substantially as outlined above be made the basis of a new agreement between the U.S. and Mexico.

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COMMITTEE HEARINGS ANNOUNCEMENTS for Dec. 12: S. Appropriations, foreign aid (to question Pauley on grain speculation); Joint Committee on Economic Report, inflation control (ex.); conference on foreign-aid bill (ex.); H. Agriculture, fur situation; S. Banking and Currency, RFC investigation; H. Appropriations, independent offices and State, Justice Commerce, and Judiciary appropriations (ex.).

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freedom on the continent of Europe will be lost. We must grant this aid if we are to have the opportunity of joining in a larger mission for world stability, security, and peace.

In the beginning I complimented the committee on the handling of this bill. It will soon be sent to the President for his approval. I hope that action upon the appropriation to implement it may be handled expeditiously. Many people wonder why Congress takes so long. They do not appreciate the steps through which legislation of this kind must pass. Letters I have been receiving indicate impatience with the slowness in getting relief to these countries. The consideration of this bill has enabled everyone to express their views, so let us hope that when the appropriation measure is before Congress that it may be passed without another prolonged and extensive debate.

Mr. VORYS. Mr. Chairman, I move that all debate on the bill H. R. 4604 and all amendments thereto do now close.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio [Mr. VORYS] that all debate on the bill and all amendments now pending thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HALLECK].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MICHENER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4604) to promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to certain foreign countries, pursuant to House Resolution 386, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I have an amendment to change the title of the bill, which I understand is proper.

The SPEAKER. That will come after the passage of the bill.

Mr. KERSTEN of Wisconsin. I should like to inform the membership that this is an important amendment and I should like to speak on it.

The SPEAKER. It is not debatable. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JOHNSON of Oklahoma. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JOHNSON of Oklahoma moves that H. R. 4604 be recommitted to the Committee on Foreign Affairs for further study.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

Mr. VORYS. Mr. Speaker, I offer an amendment to the title of the bill.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Amend the title so as to read: "To promote world peace and the general welfare, national interest, and foreign policy of the United States by providing aid to certain foreign countries."

Mr. KERSTEN of Wisconsin. Mr. Speaker, I offer a substitute for the amendment to the title.

The Clerk read as follows:

Amendment offered by Mr. KERSTEN of Wisconsin as a substitute for the amendment offered by Mr. VORYS: Strike out the title and insert the following: "To assist the peoples and governments of certain foreign countries in preventing the spread of communism in such countries, to promote world peace and the freedom of the individual in such countries from domination particularly by any form of the communistic police state, to promote the national interest and foreign policy of the United States by providing aid to such foreign countries."

The SPEAKER. The question is on the substitute amendment offered by the gentleman from Wisconsin.

The substitute amendment was rejected.

The SPEAKER. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mr. VORYS. Mr. Speaker, pursuant to the provisions of House Resolution 386, I move to take from the Speaker's table the bill S. 1774, and strike out all after the enacting clause of that bill and insert in lieu thereof the text of the bill H. R. 4604, as passed.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all after the enacting clause of the bill S. 1774 and insert in lieu thereof the provisions of the bill H. R. 4604 as passed.

The motion was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

The bill H. R. 4604 was laid on the table.

Mr. VORYS. Mr. Speaker, I move that the House insist upon its amendment to the bill S. 1774 and request a conference with the Senate, and ask that the Speaker appoint managers on the part of the House.

The motion was agreed to.

The Speaker appointed the following conferees: Messrs. EATON, VORYS, MUNDT, BLOOM, and KEE.

The SPEAKER. Without objection, the Senate bill as amended is ordered to be printed.

There was no objection.

#### EXTENSION OF REMARKS

Mr. BUSBEY asked and was given permission to extend his remarks in the RECORD and include a letter he wrote to Attorney General Thomas C. Clark and an article that appeared in Plain Talk Magazine.

Mr. WOODRUFF asked and was given permission to extend his remarks in the RECORD and include a letter from Curtis P. Nettels, a member of the faculty of Cornell University.

Mr. JACKSON of California asked and was given permission to extend his remarks in the RECORD and include an editorial from the Santa Monica Outlook.

Mr. SARBACHER asked and was given permission to extend his remarks in the RECORD and include an article from the Marine Corps Gazette.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD on three subjects and include editorials and excerpts from newspapers.

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include certain articles.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances and include newspaper articles with each.

Mr. WALTER asked and was given permission to extend his remarks in the RECORD and include an article from today's Journal of Commerce.

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. STRATTON (at the request of Mr. BUSBEY) was given permission to extend his remarks in the RECORD and include an article entitled "The Gentleman From Illinois" on the one hundredth anniversary of Abraham Lincoln's coming to the House of Representatives.

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include certain extraneous matter. I am advised by the Public Printer that this will exceed two pages of the RECORD and will cost \$159.75, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

#### SPECIAL ORDERS GRANTED

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of the legislative program of the day and following any special orders heretofore granted, I may be permitted to address the House on Greece for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.



Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order granted me for today be postponed to Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### INTERIM AID BILL, 1947

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order to consider the conference report on the bill S. 1774 at any time after it is filed.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### COMMITTEE ON BANKING AND CURRENCY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight of Saturday next to file a report on House Joint Resolution 273.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight of Saturday next to file a report on the bill H. R. 4675.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

#### COMMITTEE ON RULES

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Saturday next to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his remarks in the Record and include a speech made by himself some weeks ago, and also to include two separate items, one an editorial and the other an article.

Mr. SMITH of Ohio asked and was given permission to extend his remarks in the Appendix of the Record.

Mr. JENNINGS asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and to include a quotation.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### LEGISLATIVE PROGRAM AND ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I have discussed with numerous members of the Committee on Foreign Affairs the matter of the conference report and the time when it might be expected to be ready. My information is that the conferees cannot get together until sometime tomorrow morning. In view of the many

features of the two bills that are in disagreement, I think it is generally agreed that a conference report could not be ready for action tomorrow. It would seem that at the earliest the conference report may be ready on Monday.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may I suggest that some member of the committee ask unanimous consent that the conferees may have permission to file a conference report if they come to an agreement before midnight on Saturday?

Mr. HALLECK. Yes; I will yield to the gentleman from Ohio [Mr. VORYS] for that purpose.

Mr. VORYS. Mr. Speaker, I ask unanimous consent that if the conferees arrive at an agreement before midnight Saturday night they have permission to file their report.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. SMITH of Virginia. Mr. Speaker, reserving the right to object, I do so merely for the purpose of asking the gentleman from Indiana for what reason did he ask that the Committee on Rules have until midnight Saturday night to file a report?

Mr. HALLECK. I shall be glad to explain. The Committee on Banking and Currency has, by unanimous consent, received permission to file reports on two bills. As the gentleman knows, we are anxious to conclude the program in time for members to get back home for Christmas. Some of the Members have considerable distance to travel. Moreover, there is a high degree of urgency in connection with all of these matters. If these bills are reported from the Banking and Currency Committee, it will be our plan that the Committee appear before the Committee on Rules and if the Committee on Rules sees fit to grant rules making these measures in order, that they might be taken up early next week.

Mr. SMITH of Virginia. So that the plan is to start on your price control bill on Monday?

Mr. HALLECK. Since the gentleman has raised that question, I will say generally in respect to the program as I can now foresee it, although I am sure the gentleman will understand there are many difficulties in this sort of a situation in undertaking to outline an ironclad timetable. The Committee on Appropriations has been laboring diligently in the preparation of an appropriation bill which must necessarily be enacted to take care of the various matters that have been considered in this extraordinary session. My hope is that the appropriation bill can be ready not later than Tuesday of next week. Of course if the matters from the Committee on Banking and Currency can be gotten in such shape so that they can be taken up on Monday or on any subsequent day, we certainly want to proceed with them as expeditiously as we can.

It may be possible that we can get some of those matters up for consideration on Monday. I would suggest the Members be here on Monday, because certainly it is to be hoped that the conference report on the foreign aid bill will be ready for action then.

Mr. McCORMACK. Further reserving the right to object, Mr. Speaker, in connection with the latter observation made by the majority leader, I recognize the difficulty of giving specific plans, and of course the gentleman is in that position, but I wanted to ask the gentleman, for the benefit of the other Members. Next week will be an important week; that is, it will be a busy week. That is correct, is it not?

Mr. HALLECK. I should say so; yes.

Mr. McCORMACK. That is, you intend to take up the appropriation bill and also whatever bills come out of the Committee on Banking and Currency, and the conference report. So it is important for the Members to be here from Monday on.

Mr. HALLECK. Yes. I certainly agree with the gentleman's remarks.

Mr. McCORMACK. The leadership is in the position that you feel you have to call up any of this legislation if it is ready on Monday?

Mr. HALLECK. That is correct.

Mr. McCORMACK. I simply wanted that for the information of the Members so that they would realize they should be here from Monday on.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, I would like to inquire as to whether the gentleman has any idea, if this conference report comes in Monday there will be a roll call so that a Member can record his opposition to it.

Mr. HALLECK. Of course, the gentleman knows as much about that as I would.

Mr. HOFFMAN. Oh, I would not think so.

Mr. HALLECK. It is within the province of any Member to demand a record vote on any measure.

Mr. HOFFMAN. But he cannot get it unless he can get enough Members to stand up and be counted.

Mr. HALLECK. I am quite sure the gentleman would very seldom find himself in that situation.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. HALLECK]?

There was no objection.

#### EXTENSION OF REMARKS

Mr. MARCANTONIO asked and was granted permission to revise and extend his remarks.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 20 minutes.

Mr. EBERHARTER. Mr. Speaker, the chairman of the Committee on Ways and Means last June appointed a so-called Special Tax Study Committee. The membership of this committee consisted almost exclusively of representatives of the National Association of Manufacturers, United States Chamber of Commerce,



"But we must return to our theme and conclude. These astounding negations of the eminent American jurist are, in effect if not by intention, an attack upon God. To put it conversely, his rejection of God made it necessary for him to deny the existence of transcendent right, justice, law, truth. That denial involves logically the denial of anything on earth corresponding to those words. He was keen enough to see the consequences and honest enough to proclaim them.

"That he lacked belief in God is often evident in his voluminous writings. One sentence will suffice. It is from a letter to a friend with whom he exchanged opinions over a period of 60 years: 'We know nothing,' he said, 'of cosmic values and bow our heads—seeing reason enough for doing all we can and not demanding the plan of campaign of the general—or even asking whether there is any general or any plan.'

"Five years later, when death seemed near he wrote: 'I am too skeptical to think that what I have done matters much, but too conscious of the mystery of the universe to say that it or anything else does not. I bow my head, I think serenely and say, "O Cosmos—Now lettest thou they ganglion dissolve in peace."

"Thy ganglion!" It reminds one of Haeckel's equally base concept of man as a 'placental mammal,' of no more importance in the scheme of things than the 'microscopic infusoria' in the green slime of a stagnant pond.

"The rejection of God involves not only the repudiation of the good, the true, the beautiful; law, justice, right—and be it now added, mercy and love—but the denial of the existence of any being properly entitled to be called man.

"If God goes, all goes. It is the determination not only of dictators but of those who should be the enemies of dictators, scholars, legists, jurists to see to it that God shall go. It is our duty to see that God remains."

### Red Army in Rome

#### EXTENSION OF REMARKS

OF

### HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include the following powerful, realistic editorial, which distinctly has in mind the national interest of our country, appearing in the Boston Post of December 9, 1947, entitled "Red Army in Rome":

RED ARMY IN ROME

To those Congressmen who are now quibbling over the relief program for Europe the story of the Red Army marching through the streets of Rome might well be a warning that time is running out fast if Europe is to be saved from Russian domination. According to the report, advance notice had been given to the Italian Government that the Reds would parade, but such an alarming demonstration of their military strength by massing 20,000 of their shock troops through the streets of Rome had not been expected.

These 20,000 men were not bearing arms, but they were in uniform and marched in military formation past the Communists' leaders who had taken up reviewing stand positions at the Tomb of the Unknown Soldier. The ability of the organization to summon and transfer this large body of troops from distant points in Italy, from

Trieste, Milan, Turin, Genoa, and other northern cities startled the citizens of Rome, who, naturally enough, thought it meant another seizure of the Government, similar to that staged by Mussolini in the "march on Rome" in 1922, when the Fascists took over control of the Government. How well prepared and how well financed was this movement is indicated by the fact that they were well supplied with motorized transportation, thousands of them having ridden all night in big 100-passenger buses.

That open warfare did not break out was apparently due to the policy adopted by the government of keeping the police and the army off the streets so that no collision might take place between the Reds and the government forces. That prevented open warfare for the time being. But how long can this truce be maintained? It is estimated that the Communist partisans now number some 280,000, which is well above the figure of 250,000 to which the Italian Army is limited by the peace treaty.

Patience by the Italian Government at this time may be a virtue, but when these Reds march through Rome shouting "Long live Stalin" and "Death to De Gasperi," the Italian premier, patience may be strained to the breaking point. The time may soon come when the Italian Government may decide that the "whiff of grapeshot" with which Napoleon cleared the streets of Paris becomes more effective in bringing about order. For the Red Labor Party has announced its policy of "keeping all workers mobilized" and "to intensify agitation for a general strike."

Evidently the Reds, having taken a partial beating in France, are now concentrating upon Italy where they appear to have greater strength in proportion to the total population. Furthermore, the French Government, not being limited by peace treaties, has the power to call out reserve troops and has twice in the past several weeks called additional reservists to the colors in order to be prepared to beat back any more serious demonstrations by the Reds.

The question of whether these Red demonstrations will be followed by more serious disturbances up to the point of open civil war, of course, lies entirely in the lap of Mr. Stalin. But how he will decide also lies probably in the lap of the American Congress. If sufficient aid and support is supplied quickly to France and Italy, Mr. Stalin may decide that further action on his part is too risky and that he had better bide his time for a more favorable opportunity to go ahead with his program of taking over the whole continent of Europe.

Meanwhile, all we can hope for is that the peoples of France and Italy, for whom our boys fought so desperately on the beaches at Anzio and Normandy, will come to realize in greater numbers that America is still their best friend and that Stalin is a worse menace than was Hitler.

### Cleaning Up the Movies

#### EXTENSION OF REMARKS

OF

### HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. PRICE of Illinois. Mr. Speaker, under leave to revise and extend my remarks, I should like to include in the RECORD an editorial appearing in the East St. Louis (Ill.) Journal of December 8, 1947. The stand that the American people have taken on nonpatronization of theaters showing vice and crime in a

glorified light has at last brought the motion-picture industry to the realization these kind of films are not wanted.

The editorial follows:

#### CLEANING UP THE MOVIES

The effort of the Catholic Legion of Decency and other groups to force Hollywood to clean up its product is gaining some rather spectacular ground.

Forever Amber is being withdrawn for changes in line with moral criticism of the picture; the British movie, Black Narcissus, already has been altered in conformity with protests of the Catholic Church that it reflected unfavorably on the religious life.

Now comes announcement by the Motion Picture Association of America, which includes all the Nation's leading film producers, that its members will refuse to distribute any more films glorifying gangster names and criminal practices. The action was a result of the protest of various women's organizations against the projected production of a movie carrying the title "Al Capone." Also on the distributors' blacklist are the titles "The Capone Story," "How We Trapped Al Capone," "Dillinger," "Roger Tuohy, Gangster," "This Gun for Hire," "The Murder Ring," "Ladies of the Mob," and "Born To Kill."

Once before, in the early 1930's, the Legion of Decency forced a major change in the moral tone of the American movie by hitting the producers where it hurts most—in the box office. The mere threat of another such blow is proving enough to bring the industry into line this time.

### A Good Friend of Washington

#### EXTENSION OF REMARKS

OF

### HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. LARCADE. Mr. Speaker, in the Washington Evening Star of this date there appeared an editorial paying tribute to my colleague the gentleman from Louisiana [Mr. HÉBERT] for his service for 7 years as a member of the District Committee of the House of Representatives. Under leave to extend my remarks in the RECORD, I include the editorial referred to, as follows:

#### A GOOD FRIEND OF WASHINGTON

It is too bad that Representative HÉBERT, of Louisiana, is resigning from the House District Committee. He has been a valuable member because of the consistently helpful part he played in working for the best interests of this city.

In a service on the committee of about 7 years he sponsored much local legislation and took a leading part in writing it into law. His bill to broaden the Commissioners' powers of regulation, which he correctly regarded as one method of diminishing the volume of routine matters sent to Congress, became one of the important local statutes enacted in recent years. He initiated a series of bills affecting penal and welfare matters in Washington and the forceful efforts he made in behalf of the law for medical treatment of alcoholics, as a substitute for repetitious jail sentences, should produce beneficial results for years to come under wise administration. He directed a local police investigation that was marked by its fairness and constructive results.

In a letter he has written to Commissioner Young, Mr. HÉBERT speaks of the fact



that he has benefited from service on the District Committee in a manner that would have been impossible without the knowledge thus gained of his Nation's Capital. Were it not for his appointment to another committee he would remain. This is the attitude toward District Committee service which has developed so many fine friends of the Washington community in Congress who are working to make it a better city and a finer Capital. Though leaving the committee, Mr. HÉBERT's knowledge of municipal affairs and his continued interest will remain helpful.

### Resolutions of the American Legion, Department of North Dakota

#### EXTENSION OF REMARKS OF

**HON. CHARLES R. ROBERTSON**

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. ROBERTSON. Mr. Speaker, it has long been tradition that the American Legion has stood the champion of many national and international questions, and in all cases their championship has reflected the finest in our American thinking. Under unanimous consent, I include herewith three resolutions from the American Legion, Department of the State of North Dakota, from its twenty-ninth annual convention:

#### Resolution 16

Whereas the Veterans' Administration, in response to congressional curtailment of services, has seen fit to drop allowances for travel for itinerant contact officers; and

Whereas such officers are rendering a great service to rural veterans in North Dakota: Therefore be it

*Resolved*, That the American Legion, Department of North Dakota, petition the Veterans' Administration to reinstate such service, and that copies of this resolution be sent to our Senators and Congressmen as well as to the Veterans' Administration.

#### Resolution 6

*Be it resolved*, That the American Legion, Department of North Dakota, in convention assembled do request that a full and fair investigation of the disposal of such building materials and petroleum products and farm machinery be made, and that if such practice of shipping vital building materials and petroleum products and farm machinery in short supply in the United States be found to exist, that we urge proper legislation by our Congress to immediately halt shipment to foreign countries of vital building materials and petroleum products and farm machinery, to the end that there be made available to our veterans immediately materials from which to construct homes for their families, and also for the purpose of conserving the vital natural resources of our country; be it further

*Resolved*, That a copy of this resolution be forwarded to each and every one of our Representatives and Senators in the Congress, and to the national headquarters of the American Legion.

#### Resolution 8

*Be it resolved*, That we, as members of the American Legion, Department of North Dakota, in convention assembled, ever mindful of our duties as citizens and of our solemn obligation and determination to promote peace and good will on earth, and to sanctify

our comradeship by our devotion to mutual helpfulness and understanding, do hereby give our sincere effort and pledge our hearty support to any and all programs having for their purpose the voluntary enlistment of personnel to fill the ranks of our Army, Navy, Air Corps, National Guard, and the organized Reserve; and be it further

*Resolved*, That we memorialize the National Congress, setting forth the needs of our national defense forces and requesting and insisting that the program as announced by the American Legion providing for universal military training be immediately adopted and placed into operation, this to the end that we, as Americans, may speak with force and through strength maintain the peace of the world.

### Forty Years a King

#### EXTENSION OF REMARKS OF

**HON. HAROLD D. DONOHUE**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. DONOHUE. Mr. Speaker, under leave to extend my remarks, I should like to include an editorial from the Worcester (Mass.) Evening Gazette of Tuesday, December 9, 1947, which is deserving of wide publicity. This article is a tribute to a great king, a great country, and a great people.

Since the earliest days of this country's founding no racial group has surpassed the Swedish people in their loyalty and devotion to American ideals.

In my home city of Worcester the Swedish people through the years have been foremost in contributing to the social, civic, and economic advancement of the community.

From our own knowledge and admiration of our fellow Swedish-Americans we can all well understand why, in a world of unrest, the Swedish Nation remains a rock of fundamental stability.

The editorial follows:

#### FORTY YEARS A KING

The fortieth anniversary of the reign of King Gustav V, of Sweden, celebrated yesterday, is of interest to all the people of Worcester because of the respect in which we all hold our fellow citizens of Swedish descent. Not only do these form a substantial portion of our population, but they are so closely associated with the city's industrial, social, and civic life, that they are indeed a vital element in its economy, its democracy, and its neighborliness. Their attachment to the country of their race is based on a pride in its sturdy and righteous qualities, and this pride all, with neighborly friendship, are happy to share.

The visits of members of the Swedish royal family, and honors conferred on some of our citizens by the royal family, have strengthened this sentiment, as has the gracious gesture of the King in volunteering to embroider an altar cloth for the Trinity Lutheran Church here. Not only the members of the churches forming the new Trinity parish, but all the people of the city, look forward to the completion and dedication of this devotional work of art.

But there is a greater significance in this anniversary than these local and parochial interests. In the midst of a changing political world, the reign of a monarch who has held the loyalty and love of his people for 40

years represents a fundamental stability. That stability is reassuring for all who are hopeful that the world will find firm bases of security. For King Gustav has not been merely a mute figure in a palace. He has been a leader. The politics of his governments might change, according to the will of the Swedish people, but their ideals of loyalty and dignity, and of their place as one of the important peoples of the world, have been embodied and led by this resolute heir of an ancient tradition of dignity and leadership.

In their monarchy, and under Gustav V as King, the people of Sweden have had a chart, and a firm hand to follow it, among the shoals of change. Under his leadership they have been able to demonstrate that however much ideas may change, ideals remain constant.

Their King is now approaching the age of 90. It is not in nature that he can be spared to them for many years more, but he has been with them through many troublous times. His example, his council, and his influence have become part of their history. They will not forget.

### Fighting Inflation: A Two-Front Challenge

#### EXTENSION OF REMARKS OF

**HON. JAMES C. AUCHINCLOSS**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. AUCHINCLOSS. Mr. Speaker, it is with a great deal of pleasure that I append to my remarks a speech made on a recent occasion by Lewis H. Brown, chairman of the board of the Johns-Manville Corp. Mr. Brown is a comparatively young man who has attained his high position through his own recognized ability. He is an American of the finest type, having been born in the western part of our country, and he knows what it is to work with his hands as well as with his brains. Recently Mr. Brown made a survey and report on western Europe and Germany which I wish would be read by every Member of the Congress. In this speech he makes specific suggestions for waging the fight against inflation and makes a clear distinction between political and economic measures. Mr. Brown's views are sensible and sound and what is more, they are workable and would be effective. I hope my colleagues will all read this truly remarkable speech. It follows:

During the past 4 months I have had the opportunity to talk to more than 10,000 business men on the question of Germany's political and economic recovery.

In my report on Germany I outlined a plan to prevent the revival of German militarism, to get Germany off the backs of the American taxpayers and to start her on the road to recovery. I also suggested several ways that the United States could render assistance in the recovery of France and Great Britain.

Since my report to General Clay was summarized in recent issues of Collier's and Newsweek and is now available in the bookstores under the title, "A Report on Germany," I do not want to repeat here today the same ground covered in those reports.

I think it is now widely accepted that there can be no recovery of western Europe without at least western Germany's recovery, for Germany is the heart of industrial Europe. And until western Europe recovers



there can be no political and economic stabilization of the world.

When I prepared my report on Germany last summer it was common knowledge in Europe that Communist Russia would not cooperate in any way to bring about the political and economic stabilization of western Europe. Her policy was then and is now to thwart any European recovery program and to prevent the unification of Germany on any other terms than her own.

With this in mind I suggested last July that we could expect no cooperation from Russia at the London Conference and therefore should proceed to unify the three western zones of Germany as a basis for western Europe's recovery.

The convening of the Foreign Ministers in London last week has not changed the basic picture. If anything, the Communist-inspired disorders and uprising in France and Italy give us further proof of Russia's determination to upset the European apple cart.

Under the circumstances, we should be realistic. For we have a big stake in the recovery of Germany and western Europe. We should proceed without delay to unify the three western zones of Germany. Until that is done we will simply be pouring more of the American taxpayers' funds down a rat hole as we continue to carry Germany on our backs.

Whatever help we give should be provided on a declining basis. By that I mean it should be substantially reduced each year over the next 5 or 6 years with the ultimate objective of having Europe stand on her own feet. Our aid should definitely be in the form of incentives to produce and should not be in the form of another dole or boondoggling operation. I think we are all agreed on that.

With that brief background I would like to discuss the effect such aid to Germany and to western Europe may have on the economy of the United States and what may happen if we fail to pursue a consistent, constructive, and realistic policy. If we realize the pitfalls ahead of us perhaps we will have the common sense to avoid them. Or, if we cannot avoid them, perhaps we can minimize them to some extent.

The gravest threat to our economy will be the adoption or continuation of policies which unnecessarily increase the inflationary trends that are already only too obvious. Most of us recognize these postwar inflationary pressures and realize they require Government action. In a political year, it is particularly difficult for those in political office to take any steps that might alienate the support of a certain group even though the country as a whole would benefit by that step.

Yet the times call for such action. Fighting inflation is a two-front challenge. It calls for statesmanship of the highest order if we are to assist Europe and at the same time keep under control the inflationary pressures which have already caught us in a vicious spiral.

When we abandoned controls we moved forward. We cannot afford to move backward now by again imposing controls and restrictions which retard production or discourage the investment of capital in new ventures or improved tools.

Such controls are definitely inconsistent with what we are trying to do to start Europe on the road to recovery. Instead of leading Europe out of her economic and political chaos we would be setting a poor example by adopting the same economic planning that is holding back Europe today. It is a matter of record that the planned economies of Europe have failed to make anywhere near the substantial recovery from the war that we have made here.

How the administration will deal with prices in general, with farm prices in particular, with purchases of food and supplies

for Europe, with interest rates, wages, credit, taxes and the budget should be of deep concern to all of us.

The policies which the administration will adopt in the immediate period ahead can bring about a most serious inflation. Or they could help to restore a balanced economy. Or they could readily tailspin us into a severe depression.

At the moment the administration is again contemplating price and wage controls. In my opinion, this is a false solution to the problem. Price and wage controls are necessary in wartime. They have no place in our peacetime economy.

We should let supply and demand determine both prices and wages. Prices of raw materials, food, wages, and finished goods in the United States, should be left free to perform the most important of their historic functions, namely, to stimulate production and to permit competition to bring more value for the money.

The fact that our markets have been freed of most controls is why the United States has become the food basket of the world and the main reliance of millions of starving people abroad.

In 1946 we made the historic decision to abandon price controls, government rationing, allocations and many other measures which are necessary in war but which in peacetime are trappings of socialism. But every country in Europe has continued controls of some sort or another. We now produce 40 percent more food than before the war and our factories are turning out from 85 to 90 percent more physical output than before the war.

Where is there any other country that can come even within hailing distance of our production records? Most other countries are still below prewar levels of production.

We in this country have balanced supply and demand by letting prices rise to stimulate an increased supply. That is why we have surpluses to ship to Europe. But in Europe the planners have attempted to balance supply and demand by rationing supply and attempting to reduce demand. Instead of surpluses, there is in Europe underproduction, refusal of farmers to sell at fixed prices, austerity and outright hunger in the cities.

Admittedly a free market does not work to the complete satisfaction of everybody, but for the national economy it works vastly better than letting bureaucrats dream up prices from swivel chairs and enforce them on the producers.

Yet there is no doubt that rising prices can become dangerous when they pass the point where they increase production and go into an inflation spiral. It is for that reason that the Government should throw its full weight into the balance to check wage increases that do not help the employees but simply raise prices further.

From the day Japan surrendered to the present time our Government has used all of its power to maintain and increase food prices and to increase wages. The responsibility for the inflation that has already taken place must be laid on the doorstep of the administration.

There are a number of factors that have caused high food prices in the United States. First and perhaps most fundamental, is the enormous manufacture of money during the war through deficit financing, accompanied by the war boom, full employment, and the need to fill the delayed wartime demand for goods.

Among other factors causing high prices are the export boom and the short corn crop.

There is a further reason which, under present conditions is unjustifiable at this time.

Prices have been boosted by Government price-pegging operations and by extremely

heavy procurements of foods at the wrong times or by wrong procedures.

The entire legislative program for raising food prices and putting a floor under agricultural prices by Government subsidies should be placed under review. This program was the product of the low-price era during and after the depression of the thirties and the Stabilization Extension Act of 1942. Now the problem has changed drastically from once very low to present very high agricultural prices.

For example, the Commodity Credit Corporation is still compelled by law to support prices of certain farm products at 90 percent of parity. As a result of these legislative obligations, the CCC has entered the market and bought up large amounts of such farm products as potatoes, eggs, and so forth.

You may recall that last year substantial Government funds were used to buy up potatoes. They were then piled in heaps and saturated with kerosene to render them unfit for human consumption. This is a vicious form of "ploughing under" that takes us back to the worst traditions of economic planning during the great depression.

Only recently Senator McCARTHY, of Wisconsin, reported that the Army had purchased 1,600,000,000 pounds of sugar at a price of \$1 a hundred pounds above that quoted on the world market. The Army replied that it was buying sugar on the recommendation of the State and Agriculture Departments. It did not disclose the amounts. Senator McCARTHY declared that he did not "know what right the Army had to help raise the cost of living when the administration is attempting to curb inflation."

In short, Government price operations have repeatedly worked against the interests of the consumer who is valiantly attempting to hold the cost of living within reach of his pocketbook by shifting from high-priced to somewhat lower-priced foods. Instead of allowing the consumer to buy when food prices are declining, the Government enters the market with the taxpayer's funds as the taxpayer's main competitor. Obviously there is something wrong somewhere.

Purchasing for export at the wrong time has also helped materially to make prices unnecessarily high. Recently the Commodity Credit Corporation made very heavy purchases of wheat in the open market. In a 4-week period about 58,000,000 bushels of wheat were acquired in addition to purchases of flour.

I have not yet seen a denial from Washington that \$19,000,000 of wheat was bought by a Government agency on 1 day with the result that wheat rose \$1 a bushel in 1 week.

Is it necessary for the Government to buy in this fashion when such purchases constitute the marginal amount that is sure to make the pitcher overflow?

Cannot more discretion and good sound purchasing sense be used?

At times it seems as if the Government, although compelled by law to buy, performs its purchasing function in utter disregard of what happens to prices and to the cost of living of the consumer-taxpayer whose sweat furnishes the money.

I do not recommend the abolition of price floors under farm products. But I do recommend their suspension for a year or two at a time like this. The marginal demand for food resulting from exports abroad is too much of a threat to the buying power of the American housewife's pocketbook unless procurements are skillfully handled.

I do not criticize the Government purchases of food for Europe. I strongly favor the export of food under a program which will utilize it as an incentive to start Europe on the road to self-support.

What I do criticize is the way purchases of food for Europe are handled, the way the Government has continued to support food prices when demand exceeds supply and



the way the Government has continued to apply depression and wartime remedies when the depression is long past and the war is over and we have an inflationary boom.

Unfortunately it appears that when the Government finally hears the voice of the people crying out in protest against high prices the only remedy the Government can think of is to apply wartime controls to peacetime conditions.

What is really needed is for the Government to make intelligent use of some of the peacetime measures it has forgotten to use. Moreover, the Government ought to stop doing some of the things that cause inflation. These things may have been beneficial at the bottom of the depression but are positively detrimental at the peak of an inflationary boom.

What is needed are some gentle deflationary pressures.

Once the Government gave evidence of a clear understanding of the right way to deal with the causes of the problem there would be a good chance of getting a large measure of voluntary cooperation from businessmen. This cooperation would help to stop the inflationary spiral that is just as dangerous to business as to labor, the farmer, and the public. But businessmen cannot do this until Government first does its part.

But when the Government does everything it can to increase farm prices and then encourages one wage increase after another because food prices are raising the cost of living, business cannot be expected to do more than it has done to keep prices down.

However, it does little good to merely criticize the Government. Even though the President—in matters of economics—seems to accept the advice of the managers of politics rather than that of the managers of finance and business, we must remember that it is still our Government and it is up to us to continue to urge sound and constructive measures.

If sound measures are not adopted, then, when economic trouble develops later the record will be clear that the blame lies with what has been done by the Government and not with what has been done by business.

Let us risk the danger of oversimplification in an effort to state what ought to be done by Government, farmers, bankers, labor, and business.

Let us first determine where we were in the inflationary spiral 28 months after World War I on Armistice Day, November 11, 1918. Wholesale commodity prices in those 28 months had risen 16 percent and were about 135 percent above prewar. Then came the 1921-22 recession after which wholesale prices stabilized for a long period of years at roughly 45 percent above prewar.

Compare what happened after this war. In the 28 months after VJ-month—August 1945—wholesale commodity prices have risen over 50 percent instead of a mere 16 percent as after the First World War. Moreover, 28 months after the First World War prices were close to a peak and it was only a few more months to the downturn. In the present period, however, the spiral has taken a new violent turn upward and no downturn is as yet in sight.

Even in relative purchasing power, the farmer is about 68 percent better off than before the war and the factory wage earner, in spite of the rise in living costs, is 25 percent better off.

The rest of the population is either no better or no worse off than prewar.

This economic imbalance is just as great a danger to our continued prosperity as was the imbalance existing in 1928 when the relative purchasing power of the farmer and the laboring man was on the down side.

The other great danger is that the inflationary spiral threatens to go on and on while the Government prescribes political remedies for an economic disease.

What are the right remedies? In my opinion, here is what should be done, and done now:

1. Food prices must be turned downward. We should not try to do this by restoring Government price controls. Such controls merely choke off production, create shortages and bottlenecks, and set up black markets. Instead of controls, the Government should suspend for 2 years all of the depression measures, subsidies, and price parities designed to get farm prices up and keep them up.

2. Where the Government buys for export or lends money to foreign countries which in turn buy in our markets, the major purchases should be made under a centralized purchasing control agency. This agency would receive the cooperation of the top experts from business in each commodity. Thus, our Government, in buying, would minimize its competition with the housewife and our money loaned abroad would be used so as to least disturb the stability of domestic prices.

3. Instead of the Government trying to control prices, wages, and allocate commodities internally in peacetime, the Government should take full responsibility for allocation of materials in short supply for shipment abroad. This can be done through export licenses—a system of control still in effect.

4. The Treasury and the Federal Reserve banks should bring about mild deflationary pressure by simply stopping the depression and wartime policy of holding interest rates down. Letting interest rates rise would give investors an inducement to again put their money into long-term securities. With moderately higher interest rates the Government could begin to get some of the war-created deficit money out of the banks and into the hands of real investors, thus siphoning off as much as possible of this money supply which in the current market tends to bid up prices of goods. Such mild measures gently applied would also tend to tighten bank credit and thus put a brake on the inflationary spiral.

5. Just as soon as these measures by Government had turned food prices downward, then the President, the Cabinet, and Congress must take a firm stand against any further wage increases. Once food—the main item in the factory worker's budget—turns downward, then the leaders of organized labor will, I believe, cooperate by agreeing with the Government to forego demands for wage increases for at least 1 year.

6. On the basis of a year's moratorium on wage increases, the Government could then ask basic industries to stop price increases for a year. Since the spread between factory prices and retail consumer prices is abnormal, the Government should ask all distribution and retail businesses to reduce prices wherever possible as their contribution to stopping the inflationary spiral.

7. While maintaining an adequate national defense and giving necessary support to the Marshall plan, Congress should insist upon at least a \$2,000,000,000 reduction in Federal expenditures as compared to this fiscal year, at least a \$3,000,000,000 reduction in the Federal debt from surplus, and, finally, a tax reduction through community-property measures and any other tax-reduction methods compatible with a balanced budget. The community-property tax measure should be made effective as early as possible next January. Reduction in expenditures and in the Federal debt, together with tax-reduction measures, would help put a mild damper on inflation and at the same time leave the average housewife a little more of the family pay envelope to get into balance with the cost of living.

8. With these measures and a free market in effect, instead of Government price and wage controls, the Government and the press should urge housewives and all purchasers to avoid wherever possible buying commodi-

ties in short supply and to switch to commodities where the supply is better and prices are being lowered.

I am sure that if statesmanship prevails it will be possible under this program to ease the inflationary pressures due to ill-timed, inefficient Government purchases, parity and subsidy farm-price policies, low interest rates, wage increases that are nullified by accompanying high prices and unrestrained granting of credit.

Statesmanship is also needed to adopt and follow through with a sound, constructive tax policy, a policy that calls for a reduction in taxes as a result of increased efficiency and economy in Government while at the same time spending for absolutely necessary purposes.

If our foreign aid is given wisely and is of a nature that stimulates production in Europe, there is no doubt that we can help to get western Europe started on the road to recovery. A restored western Europe will not only be a bulwark against the westward march of communism but will be a potent factor toward the political and economic stabilization of the world.

If we are to avoid serious economic repercussions in the United States as a result of superimposing our foreign-aid program upon our already inflated economy, we must boldly tackle the problem and set aside partisan politics.

As I have said, the critical times in which we live require statesmanship of the highest order. Inevitably, such a program will not please everybody, but, in my opinion, it is required by our national interest.

## Freedom Train Visit to Boston

### EXTENSION OF REMARKS OF

**HON. JOHN W. McCORMACK**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks, I include the following speech made by me at a luncheon conducted by the Advertising Club of Boston in the Hotel Statler, Boston, Mass., in connection with the opening of Rededication Week in Massachusetts and the visit to Boston of the Freedom Train:

Mr. Chairman, distinguished and invited guests, ladies and gentlemen, at the outset I wish to express my gratitude to all of the officers and members of the Boston Advertising Club for your invitation to join with you in your contribution to the program of Rededication Week.

The advent of the Freedom Train in Boston, carrying with it the tangible evidences of the enshrinement of our democratic ideals, furnished to each of us a golden opportunity to look upon the handiwork of those who secured for us the blessings which we now enjoy. Since many of the sentiments in those priceless documents found their origin in the atmosphere of liberty, which has always been characteristic of Boston and vicinity, we of Boston and of Massachusetts take a special pride in the visit of the Freedom Train, and we shall need no urgent plea to our people to reacquire themselves by seeing the historic documents while they are in our midst.

The assembly of any representative portion of our citizenry—no matter what the occasion—is always a good and wholesome thing.

It becomes more so when a group of public-spirited citizens like yourselves take the time



for only the first year of operations under the Marshall plan. Of total estimated requirements for \$9,200,000,000 worth of imports from North and South America, Britain's share was given as \$2,630,000,000—roughly 28.5 percent.

Why the British have been so reluctant to give out estimates on their requirements for second, third, and fourth years has puzzled many Washington observers. Fear of stirring up anti-British sentiment may be one reason. But since the figures were bound to come out eventually, nothing particular seems to have been gained by trying to cover them up. On the contrary, failure to lay the cards on the table may have stirred up suspicion and antagonism.

One reason given for not releasing 1949-51 estimates is the desire to present the Marshall plan as a European recovery job covering the whole continent. It was hoped to avoid the impression that the plan was for scattered and uncoordinated aid to 16 nations individually.

Another factor in not making detailed estimates for the last 3 years of the plan was the difficulty in predicting what the price, supply, and political situations would be that far ahead.

Because of price changes up or down, good or bad weather, congressional cuts, and world upheavals, final figure for Britain for the whole 4 years may vary considerably. It may be as high as \$15,000,000,000 or as low as \$5,000,000,000.

Part of the total will be on a loan basis, part an outright grant. But it should be noted that repayment of the original \$3,750,000,000 loan is not due to begin until 1952. Repayment in 50 years is called for, with interest at 2 percent when the British can find the dollars. When they can't, interest is waived.

In the best possible light, future advances to Britain have to be considered as investments to keep the British going so they can eventually pay off their debts by A. D. 2000.

## Investigating Committees of Congress

### EXTENSION OF REMARKS OF

**HON. HELEN GAHAGAN DOUGLAS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following bill which I introduced on November 24, together with an editorial from the Toledo Blade and one from the Washington Post regarding this bill:

H. R. 4564

A bill to prescribe the procedures of investigating committees of the Congress and to protect the rights of parties under investigation by such committees

*Be it enacted, etc.,* That it is hereby declared to be the purpose and policy of the Congress that all legislative committees and subcommittees shall conduct their proceedings with the utmost fairness to all who may be affected by them and shall make every effort to avoid the abuse of their proceedings as a forum for the making of charges detrimental to the persons involved, which are not supported by convincing evidence. To this end the following specific regulations are prescribed.

SEC. 2. (a) All witnesses at hearings of the committees, whether public or private, shall have the right to have the aid and assistance

of counsel and such other assistance as may be necessary to protection of their rights and to a full and fair presentation of the matter under investigation.

(b) Every witness who testifies in a hearing shall have a right at the conclusion of his testimony either to make an oral statement or at his option to file a sworn statement which shall be made part of the record of such hearing, but such oral or written statement shall be relevant to the subject of the hearing.

(c) If a committee or any member thereof shall make public any report furnished to it by its staff or others, or if any witness shall make, by oral testimony or documentary evidence, any statement reflecting adversely upon the character or reputation of any other person (including governmental officials or employees) the committee shall either at once strike such material from the record or shall grant to the person referred to an opportunity to cross-examine the persons responsible for the report or making the statement, and to present countervailing evidence. Such cross-examination and evidence shall be relevant to the interests of the individual who is involved, and may be subject to such reasonable limits of time and duration as the committee may impose. In addition, the persons concerned shall have the right, but unless subpoenaed shall have no obligation, to file with the committee any denial, defense, or explanation they may see fit and they shall have the right to testify in person.

SEC. 3. The Congress hereby reaffirms the right and the duty of the press to comment on the activities of the Congress and individual Congressmen, whether favorably or adversely, and declares that it is contrary to this fundamental principle of a free society for editors, publishers, and reporters to be called into question before any committee of Congress unless it is deemed essential by a full committee to the conduct of a legislative inquiry. And it is further declared to be the policy of the Congress that, except at his own request, no reporter, editor, or publisher, shall be called to testify before a committee to be questioned concerning any publication by him, unless upon vote of a majority of the committee or subcommittee before whom he is called to testify: *Provided*, That no such person shall be called before any committee or subcommittee having less than five members.

[From the Toledo (Ohio) Blade]

#### MARKING OUT THE FIELD

The bill which Representative HELEN GAHAGAN DOUGLAS, of California, introduced this week to define the scope and standards of congressional investigating committees is the first sensible attempt to bring order out of the chaos which followed the most recent hearings of the House Committee on Un-American Activities.

In general, Representative DOUGLAS' bill would set up standards of conduct for congressional committees; and guarantee to witnesses the right to answer charges brought by committees. That makes good sense, no matter how you view what the Committee on Un-American Activities and other similar groups have done in the past.

Surely these committees should have certain responsibilities, in addition to their privileges. And witnesses called before them ought to have legal opportunity to answer charges made by the committees. Whether or not there have been violations of constitutional rights in the past, there should be definite guarantees that such violations cannot be committed in the future.

Congressional committees operate at present largely under rules of their own making. The result has been something like a sandlot football game in which the field is unmarked and the rules are dictated by the

biggest boys involved in the game. In most instances, committees have exercised particular care to avoid any question of propriety. But there has been no way to check those groups which have been less scrupulous.

Had there been set standards, such as those now proposed by Mrs. DOUGLAS, when the Thomas committee launched its investigation of Hollywood Communists, there could have been no justification for the excesses committed on both sides. The extravagant charges and countercharges were possible only because no one was sure what such committees can legally do and what they may not do.

In proposing that this field be marked out clearly, Mrs. DOUGLAS is on firm ground. There will be some disagreement concerning the standards of conduct for such committees. But as soon as those differences can be ironed out, her proposal should be enacted into law.

[From the Washington Post of December 4, 1947]

#### INVESTIGATIVE PROCEDURE

The extremely important work performed by congressional investigating committees has sometimes been marred by excesses in the exercise of their authority. Now and then, indeed, as in the case of the House Committee on Un-American Activities, these excesses have amounted to gross abuse of the power delegated by Congress and have resulted in grievous injury to the reputations of innocent persons. Some regularization of investigative procedure has become imperative both for the safeguarding of individual rights and for protection of the prestige of Congress. Representative HELEN GAHAGAN DOUGLAS has sought to provide this regularization in a bill introduced last week which would prescribe the procedures of investigating committees while still permitting them the latitude requisite to their effective operation.

Mrs. DOUGLAS' proposal would impose three elementary restraints upon committee conduct. It would assure every witness, in the first place, "the right to have the aid and assistance of counsel" and "a right at the conclusion of his testimony either to make an oral statement or at his option to file a sworn statement which shall be made a part of the record of such hearing." The legitimate work of committees could in no way be impeded by such obvious concessions to fair play. But the denial of these "rights" by such committees as the one investigating un-American activities have made necessary the stipulation of what ought to be taken for granted.

The same can be said respecting Mrs. DOUGLAS' second provision—in our view the most important in her bill. It stipulates that when the reputation of any person is damaged by any report issued under the committee's imprimatur or by any testimony or evidence presented to the committee, the person referred to shall have a chance to present countervailing evidence and to cross-examine his detractors. This seems a more effectual remedy than that proposed for the same purpose by Representative PRICE—to make "privileged" the rebuttal statements of persons assailed in committee hearings. Again the House Committee on Un-American Activities must be cited as the outstanding exemplar of the need for protection of this sort. Time and again during its headlined Hollywood hearings, it permitted witnesses to defame persons not present, without requiring a shred of evidence to support the defamation and without affording the victims any opportunity of rebuttal.

The third provision of the Douglas bill is narrower in application, needlessly so in our opinion. It stipulates that a newspaperman should not be called to testify before a committee concerning any publication by him



"unless upon vote of a majority of the committee or subcommittee before whom he is called to testify, provided that no such person shall be called before any committee or subcommittee having less than five members." This strikes us as so reasonable a provision that we should like to see it extended to all citizens, whether newspapermen or not. Star-chamber hearings before arrogant committee chairmen acting without the knowledge or consent of their colleagues are an outright perversion of the investigative process.

### Cargo for Russia

#### EXTENSION OF REMARKS

OF

HON. ALVIN F. WEICHEL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 10, 1947

Mr. WEICHEL. Mr. Speaker, while the Congress is in special session, called by the President for the avowed purpose of keeping down communism in Europe and keeping down prices, the Secretary of Commerce is continuing to permit commodities of every kind and description to go through to Russia, making our own supply scarcer and the prices higher. On November 18, 1947, while the House was in special session at the call of the President demanding hundreds of millions of dollars to stop communism, the Russian-named ship, U. S. S. R. steamship *Mikhail Kutuzov*, owned by the Government of the United States, being the former United States flag ship named *Graham Taylor*, left the Atlantic coast for Russia with electrical machinery and apparatus, car wheels, construction machinery, metallic working machinery, and other items, as follows:

#### Russian steamship "Mikhail Kutuzov"

(Cleared from New York Nov. 18, 1947, for Odessa)

#### Principal items of cargo and value:

Sisal rope.....	\$43,439
Other nonmetallic minerals.....	19,952
Railway car wheels.....	59,000
Electrical machinery and apparatus.....	634,030
Engines, turbines, and parts.....	56,604
Construction and conveying machinery.....	82,534
Mining, well, and pumping machinery.....	267,162
Metalworking machinery.....	594,361
Other industrial machinery.....	656,971
Agricultural machinery and implements.....	307,555
Automobiles, parts, other vehicles and parts.....	239,550
Chemical specialties.....	6,942
Scientific and professional instruments, apparatus, and supplies.....	249,280
Commodities exported for relief or charity.....	1,954
Miscellaneous commodities.....	12,123
Lend-lease: Mining, well, and pumping machinery.....	11,475
UNRRA: Miscellaneous commodities.....	26,520
Total.....	3,269,452

And further on December 4, 1947, the Russian-named ship U. S. S. R. steamship *Novorossisk* owned by the Govern-

ment of the United States and formerly the United States flag-ship *Edward Eggleston* left Longview, Wash., on the Pacific coast for Russia, with cargo as follows:

Cargo laden on the U. S. S. R. steamship "Novorossisk" (former "Edward Eggleston") at Longview, Wash.

	Weight	Value
17 cases of spare parts for can-making machine.....	Pounds 38,581	\$154,096
256 boxes of spare parts for Diesel engines.....	32,945	110,815
1,000 pieces of sheet steel piling.....	3,669,559	153,291
1,082 pieces of tie rods, turnbuckles, and nuts.....	1,615,070	113,718
36 pieces of head cone crusher and spares for crushers fork.....	279,761	81,818
12 crates of jaw crushers and spares.....	56,570	16,105
5 boxes of crane steam locomotive, in bond from Canada.....	240,260	40,000
2 boxes of clamshell buckets, in bond from Canada.....	8,400	3,000
414 cases of complete dump trucks.....	2,002,385	228,178
16 cases of electrical testing equipment.....	3,690	8,740
18 pieces of flotation machine and electric motors and spares.....	55,740	15,990
2 boxes of filter presses and spares.....	1,364	615
11 boxes of spectrograph equipment.....	2,965	5,735
10 boxes of steel dredge pumps.....	71,650	19,299
20 spare parts for Marion model 840 machine.....	59,874	39,882
15 pieces of complete stone crusher.....	148,325	53,111
1 box of impellers for turbine pump.....	250	1,402
62 pieces of electric shovels and spares.....	116,694	33,111
20 boxes of steel vertical pumps and spares.....	124,340	32,239
2 boxes of deep-well turbine pump and spares.....	1,650	1,068
33 pieces of Symons standard cone crushers.....	184,195	81,280
10 packages of model 480 power shovel and parts.....	37,360	18,994
17 boxes of Slurry pumps and spares.....	39,572	13,564
95 pieces of ore-crusher parts.....	97,784	41,539
69 pieces of deep-well turbine pump and parts.....	27,315	9,893
21 boxes of engine parts.....	3,546	23,819
21 drums of steel grinding balls.....	39,900	1,741
96 boxes of drill rods.....	100,586	30,676
16 cases of electrical equipment.....	3,478	10,129
2 cases of motor generator set and parts.....	2,180	2,329
8 cases of pumps, motor and parts.....	30,000	43,532
2 boxes of spare parts for shovel.....	490	471
18 pieces of crawler chain shovels.....	197,135	57,953
276 boxes of continuous drill rods.....	256,222	80,152
8 boxes of electric motors and switches.....	3,240	1,681
136 pieces of manganese steel feed and shell liners.....	116,403	17,356
8 cases of motor and drive assembly for Wemco Lohead conditioner spare parts and (2) deep welded steel tanks.....	14,690	2,786
89 packages of core drill rods.....	82,030	24,435
101 packages of march ball mill and spare parts.....	298,903	69,655
92 boxes of drill rods.....	84,955	25,259
4 cases of pumps.....	10,000	14,000

Mr. Speaker, this is all in the face of nearly \$300,000,000 worth of exports to USSR during the period from June 1946 through September 1947, and further in addition to \$563,000,000 exports in 1945, of which only \$26,000,000 were commercial, the rest being gifts, of nearly \$400,000,000 in 1946 of which \$64,000,000 were commercial and the rest being gifts; and of nearly \$114,000,000 from January 1947 through September 1947, of which \$66,000,000 were commercial and the rest being gifts, Mr. Speaker, flaunting to the public such exports to Russia making our supply short and the prices high and the President demanding special aid to stop communism, it is inconsistent with the call of the special session by the President to have his appointees go merrily on sending goods to Russia even in the ships owned and paid for by the taxpayers of the United States and ships Russia does not return.

### A Debauched Currency and Its Responsibility for High Prices and Economic Chaos at Home and Abroad

#### EXTENSION OF REMARKS

OF

HON. JOSEPH P. O'HARA

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 11, 1947

Mr. O'HARA. Mr. Speaker, high prices are recognized as America's No. 1 problem. The American people are sorely disturbed at the economic chaos at home and abroad, and at the prospect of a return to regimentation and price controls. They want to know what has happened to their money—why their dollars buys only about one-third of what it bought a few short years ago. There is nothing mysterious about this dollar depreciation. Karl Marx said, and Lenin demonstrated, that "The surest way to overturn the social order is to debauch the currency"; and so persistently has the New Deal administration pursued its course that the dollar and all fixed dollar-value securities, including savings, pensions, and life insurance, have lost 63 percent of their value since 1933. Naturally it requires more of these depreciated dollars to buy the necessities of life and other commodities.

The methods employed by the debauchers of our currency, and a remedy to end this intolerable situation, are explained in a House committee print just off the press which has received much favorable comment in leading newspapers throughout the Nation. I include the following quotations from the Chicago Daily Tribune; Washington (D. C.) Times-Herald; Salt Lake Tribune; Dallas (Tex.) Times-Herald; and Charleston (S. C.) News and Courier for the information and thoughtful consideration of my colleagues and the American people, under the leave to extend my remarks in the RECORD:

[From the Charleston (S. C.) News and Courier of November 23, 1947]

#### SOUND MONEY: A CURB ON WAR

If it were possible to make a book on money a best seller so that everybody would be reading it and discussing it, wars and depressions would be eliminated. All wars are economic. All depressions are the result of unsound economic and monetary policies.

Until the administration repeals the Bretton Woods Monetary Agreement, the Reciprocal Trade Act, and Public Law 84, all talk of stopping inflation will be so much eye-wash. Public Law 84, enacted in 1945, depreciated the dollar 37½ percent, caused commodity prices to advance 60 percent, and is responsible for the vicious inflation and the resultant demand for higher wages.

It is a well-planted fifth column in our country that has blamed the free-enterprise system for our depression when it is the Government that is to blame.

High prices at home, economic chaos abroad, and threats of world war III can be attributed largely to the fact that we have permitted knaves and fools to so debauch our currency that in the short period of 13 years our dollar and all fixed-dollar-value securities have lost 63 percent of their value.



The world needs stabilization of currencies more than it needs our dollars. Sound money is the first requisite for peace and economic recovery. The United States alone has the power to give that stability by adopting a sound monetary system. This can be put into operation in 90 days and will cost us nothing.

Karl Marx said, and Lenin demonstrated, that the surest way to overturn the social order is to debase the currency. It can be done in such a way that not one out of a million will see it.

It requires \$2.71 to buy what could be bought for \$1 prior to 1934. Your \$10,000 life-insurance policy has a value equivalent to \$3,687.50 prior to 1934. Your \$50-per-month pension has a purchasing power equivalent to \$18.43¾ prior to 1934. A \$10 daily wage of today has a purchasing power equivalent to \$3.68¾ prior to 1934.

Where have I gathered this information? From a book that could become a best seller, if our congressional leaders in Washington would appropriate moneys to put this book into the hands of every honest-to-God American. Inflation, depression, and world war III would disappear overnight. Russia, the greatest hoax in all history, would be at an end. Russia knows her only "out" is to keep the United States busy with Europe so she can overrun Asia and seize the rich rubber, tin, and oil resources of Asia and the Middle East.

The name of this book, *Money Makes the Mare Go*, by John McBride, clerk of Committee on Coinage, Weights, and Measures, printed for the use of the Committee on Coinage, Weights, and Measures, House of Representatives, United States Government Printing Office just off the press.

When you write for this book you may be told only 1,000 copies were printed.

But you cut this letter out and send it to your congressional leader and ask him if he will not do all he can to get a printing so you can have a copy. After you read it you will be a red-hot American and you will do your best to get your congressional leaders to get this book published and placed in the hands of all Americans.

And before I close I want to reveal another fifth column and that is the income tax. Those who are interested may write for a copy of *From Solomon's Yoke to the Income Tax* by Frank Chodorov, Henry Regnery Co., Hinsdale, Ill., 25 cents, also just off the press.

If we can get the truth to the American people the day will never come when there will not be enough junk in this country to interest a junk dealer.

REV. HENRY F. WOLFE,  
*Sacred Heart Parish.*

CHARLESTON, S. C.

[From the Washington (D. C.) Times-Herald of November 13, 1947]

#### MONEY

(By Frank C. Waldrop)

Next to life itself nothing is so essential to mankind as money. You can neither be born nor can you die, without it. You cannot advance without it nor can you escape it even in retreat. Money, it is the greatest invention in all human history.

It overpowers all enemies. It survives all friends.

Neither religion nor politics nor war nor peace nor virtue nor evil has ever conquered money.

Money is not only the most powerful of all human inventions, but also the most ruthless enemy of fools. It leaves the company of fools in a hurry and will have no truck with them.

We all know these truths, yet all of us try to deny or distort them. And for all of its

importance to us, how many ever really try to understand money and its place in life?

For instance, it is a common habit to profess hatred of money and to cite money as an evil companion. It is not money that is an evil companion.

It is man's use of money that can be evil. Money, like any other powerful agent, can be a terrible evil in its effects if the intent behind its use is evil.

Just so, money can be the most powerful of all agents for good. Money was the universal weapon of our forefathers in making this country what it is, our inheritance of might beyond all other people of history.

There were many other weapons for the building of our inheritance, but none so tireless, so ingenious, so useful in all campaigns in all ways at all times, as money.

It begins to be time, therefore, for us to put a little effort into thinking about the nature of money. What is it and why is it so powerful?

There never will be a full answer to those questions. But some facts are easily told and can be easily understood.

First, money counts because it is symbolic of command over energy and goods.

Without it you cannot have civilization. You cannot even have anarchy. You can only have a return to the apes. No people this side of the apes have yet found a way of living together without money.

The better the money then the better the civilization that it serves. Money is "better" or "worse" according to how near it comes to representing accurately the measure of goods and services it is claimed to measure.

A dollar is as good as that which it buys for you.

Not so good these days; is it? Why not, and whose fault is that?

Back in 1933, when gold was taken away from the people of this country, the administration in power made a flat promise that we would none of us lose by the deal. In fact, the reverse.

In fact, among the many things Mr. Roosevelt set out to deliver was a dollar that would buy the same measure of wheat 20 years later as it would buy in 1933—an absolutely fixed value kinship between money and goods.

If he had been able to deliver that, he could be forgiven his multitude of other errors and false promises 10 times over. But he didn't deliver.

In opposite fact, his meddlings unhinged the dollar from value so completely that generations not even to be born 20 years from now will still be suffering the consequences.

Well, he wasn't the first statesman to be less able at making money do what he wanted it to, than at getting rid of money. Nothing is harder than to make money do what you want, nothing easier than to drive money into doing what you don't want.

Some very fascinating evidence on that subject has just come to hand from Capitol Hill. The House committee on coinage, weights, and measures of the Seventy-ninth Congress assigned its clerk, John McBride, to write a history of the money manias of the world these last few years.

It is not dull reading. Quite the opposite.

Mr. McBride, who is a westerner, a miner, and, as you might guess, a believer in "hard money" provided it is made of gold and silver, has finally turned in his report.

The title is "*Money Makes the Mare Go.*"

You can argue with Mr. McBride if you like as to whether paper currency ought to be subject to exchange anytime for either gold or silver according to individual taste. It's not so simple an issue as it looks.

But it is hard for anybody to argue that the monetary history of the past 20 years reflects much credit on the brains of the people who have claimed custody over the valuation of money.

It is plain to anybody who has been to the grocery store lately that something is wrong with the alleged experts' management of money and has been for some time.

The report to the House Committee on Coinage, Weights, and Measures tells you some facts about that in language anybody can understand. It is worth reading and you can get it at the Government Printing Office for two bits or thereabouts.

Meanwhile, items from it will be reported in this space from time to time just as reminders, but nothing less than the full item will really do justice to your interest, if you have interest.

And if you don't, then quit kicking at prices, taxes, and other consequences of the Government's money management.

And it's no good pointing at somebody else. We people in the U. S. A. are responsible for the kind of government we get.

[From the Salt Lake City Tribune of November 18, 1947]

#### SOUND MONEY HELD PROTECTION AGAINST COMMUNISTIC INROADS (By The Shift Boss)

John McBride, clerk of the House Committee on Coinage, Weights, and Measures, has written a book entitled "*Money Makes the Mare Go*," which, incidentally, any citizen can obtain by writing to his Congressman or Senator. It is a revealing piece of writing and compilation of facts. Some clue as to its expositions may be gained from its foreword, which says, in part:

"Governments operating under a regimented economy know they can never successfully compete with a free competitive economy. They must either emulate us, destroy us, or face revolution at home. Their more intelligent leaders were inclined to emulate us until our internationalists and left-wingers—more vociferous than numerous—misled the more fanatical Communists into believing that they represented majority public opinion of the United States."

#### SUGGESTS CURE

"If we would preserve our American way of life, the first and most essential requisite is a sound world economy and a sound monetary system. The very antithesis of sound money and a sound economy is the so-called managed economy and managed currency now being perpetrated in the most vicious form by that unholy triumvirate, the Bretton Woods Monetary Agreements, Reciprocal Trade Act, and Public Law 84. These are the vehicles on which the internationalists are riding to power.

"Introduced and passed as three separate and apparently unrelated pieces of legislation, they fit together like the parts of a jigsaw puzzle to create a financial superstate—an international OPA, financed by us but controlled by debtor nations—which will dominate and rule the world through the control and manipulation of money, trade, and credit.

"Unless these three acts are speedily repealed or drastically changed, they will destroy domestic economy, siphon away our wealth, and precipitate an economic collapse from which we may never recover."

#### BOOK EXPLAINS

Serious statements but interestingly and dramatically justified in the author's mind in his book, which must be read to understand his recommendations on how to meet the threat he outlines. And his preface goes a step further:

"This remedy can be made operative in 6 months. If we fail to adopt it, all present frenzied efforts to achieve permanent peace, recovery, full production, and full employment are just so much sound and fury signifying nothing."



[From the Salt Lake City Tribune of November 19, 1947]

# SOUND MONEY PLEA RECQUITS FABULOUS IDAHO MINE STORY

(By the Shift Boss)

In his plea for sound monetary principles and sound economy, Money Makes the Mare Go, recommended for reading (the book is free) in this column recently, John McBride, clerk of the House Committee on Coinage, Weights, and Measures, illustrates one of his points in a manner particularly understandable to western miners and westerners in general.

Discussing current Government pouring of funds into Europe, the author said:

## LOST AT POKER

"Years ago, we had a rather odd character out in Idaho, a prospector named Norton. He discovered a fabulously rich gold mine near Custer Mountain in the Yankee Fork mining district. The ore was high grade, assaying up to \$10,000 per ton; and in a short time, he had taken out more than half a million dollars in gold.

"Norton called his mine the Charles Dickens, and the proudest boast of other prospectors in reporting a new strike was that 'it is as rich as the Dickens.' Norton was inordinately fond of playing poker; and when those invited to join him in play demurred because they had no money, Norton promptly staked them and sat down to play against his own money. He died in the poorhouse."

## DRAWS COMPARISON

"But before you laugh at this true story of the impractical and improvident Mr. Norton, stop to consider that your Government is now engaged in an international poker game with nations staked by the American taxpayers. Norton at least had the virtue of gambling with his own money, but we are gambling with the money of our people, the safety of our country, and the peace of the world. And we haven't as much of a chance to win as Mr. Norton had because, in addition to playing against our own money, the international racketeers, with whom we are playing are filching marked cards from a cold deck."

Whether or not one agrees completely the comparison is crystal clear in the West.

[From the Chicago Daily Tribune of November 17, 1947]

# UN SOUND MONEY BRANDED CAUSE OF DEPRESSIONS—FREE ENTERPRISE ABSOLVED IN HOUSE GROUP REPORT

WASHINGTON, November 16.—Unsound economic and monetary policies of the Government rather than any failure of the free-enterprise system are to blame for depressions, according to a report released today by the House Committee on Coinage, Weights, and Measures.

The report, drawn up by John McBride, committee clerk, and printed by the Government Printing Office, has been in preparation for almost 2 years and consists of a history of money and a digest of statements of various world fiscal authorities. The report has not been acted upon by the committee; it was submitted for the group's use in considering future legislation.

"In their effort to replace free enterprise with a regimented economy," it asserted, "the most potent argument for our fifth column has been that free enterprise is to blame for booms and busts—for periods of depression and large scale unemployment," the report stated.

## HOLDS STABLE MONEY VITAL

"Government, not free enterprise, is to blame for depressions because of unsound economic and monetary policies forced on business by Government. All efforts of the administration and Congress to stop runaway prices and bring peace and economic

stability to the world are doomed to failure until a sound, stable, dependable monetary system is adopted.

"All thoughtful citizens will approve of the administration's statement that, 'Inflation must be stopped before it is too late.' But before any constructive action can be taken, it must be recognized that Public Law 84, enacted in 1945, depreciated the dollar 37½ percent, caused commodity prices to advance 60 percent, and is responsible for the vicious inflationary spiral of rising prices and resultant demand for higher wages."

Public Law 84 was an amendment to the Federal Reserve Act reducing from 40 to 25 percent the amount of gold certificates required of Federal Reserve banks as a reserve for Federal Reserve notes. This enabled the banks to increase their reserves in Government bonds, which, according to many competent authorities, cheapened the currency.

## TELLS DROP IN DOLLAR VALUE

McBride said that in 13 years our dollar and fixed-dollar securities have lost 63 percent of their value. He declared that the crying need of the world is for stabilization of currency rather than for dollars.

"Sound money is the first requisite for world peace and economic recovery," the report said. "The United States alone has the power to give that stability by adopting a sound monetary system. This can be put into operation in 90 days and cost us nothing."

The report explained a sound monetary system is based on money which will serve as a permanent standard or measure of value. The dollar was depreciated 41 percent in 1934 and was further devalued by the lowering of Federal Reserve requirements, the report noted. Congress could open the way for a sound system by passing legislation to outlaw future attempts to tamper with monetary standards, the report said.

## WARNS AGAINST ANARCHY

"Will we take this common-sense course, or will we continue to pour billions down 'operation rat hole' until the economic structure of the world collapses and the entire world is swept by ungovernable anarchy?"

"Operation rat hole" is a term used frequently here to cover all schemes for pouring more American money into Europe.

The report states that for years there has been "a national and international conspiracy, well-financed, and cunningly directed, to pillage our country and overthrow our system."

McBride holds that the conspirators are a strange alliance of Communists with Wall Street and London financiers. He asserts that one group—the "so-called intellectuals, fellow travelers, Communists, self-designated 'great liberals,' left-wingers, and political opportunists"—would set up a financial superstate to control money, the value of money, credit, production, profits, and wages.

The other group of pure Communists would set up a totalitarian state to be "absorbed as a vassalage in a world superstate in which we would be outnumbered and outvoted 15 to 1."

"We must not permit ourselves to be propagandized into voting billions of dollars to keep western Europe from becoming Communist," the report said. "The people of Europe realize that Communist Russia is the most tragic hoax in all history; her own people are restless and disillusioned; the Balkans seething with revolt.

"Russia's arrogance, insolence, and synthetic belligerence do not reflect confidence but desperation and fear on the part of her leaders. It has always been the practice of tyrants and dictators to manufacture a war to scare and frighten people into docility when their failure to solve internal social and economic problems has led them to fear for the perpetuation of their power."

[From the Dallas (Tex.) Times-Herald of November 17, 1947]

# UNITED STATES POLICIES BLAMED FOR DEPRESSIONS

WASHINGTON, November 17.—Unsound economic and monetary policies of the Government are to blame for depressions rather than any failure of the free enterprise system, according to a report released by the House Committee on Coinage, Weights, and Measures.

The report, prepared by John McBride, committee clerk, and printed by the Government Printing Office, has been in preparation for almost 2 years and consists of a history of money and a digest of statements of various world fiscal authorities.

"All efforts of the administration and Congress to stop runaway prices and bring peace and economic stability to the world are doomed to failure until a sound, stable, dependable monetary system is adopted," the report states.

## DOLLAR DEPRECIATED

"All thoughtful citizens will approve of the administration's statement that, 'Inflation must be dropped before it is too late.' But before any constructive action can be taken, it must be recognized that Public Law 84, enacted in 1945, depreciated the dollar 37½ percent, caused commodity prices to advance 60 percent and is responsible for the vicious inflationary spiral of rising prices and resultant demand for higher wages."

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"Sound money is the first requisite for world peace and economy recovery," the report said. "The United States alone has the power to give that stability by adopting a sound monetary system. This can be put into operation in 90 days and cost us nothing."

"Will we take this common sense course, or will we continue to pour billions down 'operation rate hole' until the economic structure of the world collapses and the entire world is swept by ungovernable anarchy?"

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The other group of pure Communists would set up a totalitarian state to be "absorbed as a vassalage in a world superstate in which we would be outnumbered and outvoted 15 to 1."

## Fuel Oil and Farm Machinery

SPEECH  
OF

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 9, 1947

The House had under consideration the amendment of Mr. H. CARL ANDERSEN which would forbid the exportation of farm machinery and petroleum products if in short supply.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes.







AIDING IN THE STABILIZATION OF COMMODITY PRICES  
AND TO AID IN FURTHER STABILIZING THE ECONOMY  
OF THE UNITED STATES

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DECEMBER 12, 1947.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

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Mr. WOLCOTT, from the Committee on Banking and Currency,  
submitted the following

R E P O R T

[To accompany H. J. Res. 273]

The Committee on Banking and Currency, to whom was referred the joint resolution (H. J. Res. 273) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the joint resolution as amended do pass.

The amendments are as follows:

Page 2, in lines 23 and 24, strike out "agreement (1) which provides for the fixing of prices, or (2)" and insert in lieu thereof "agreement".

Page 3, line 2, strike out "1949" and insert "1949, and he shall not approve any agreement which provides for the fixing of prices".

Page 3, in line 12, strike out "(a)"; and strike out lines 16 to 23, inclusive.

Page 6, after line 7, insert the following subsection:

(d) This section shall cease to be in effect at the close of February 28, 1949; and thereafter the provisions of law amended by this section shall be in full force and effect as though this section had not been enacted.

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GENERAL STATEMENT

At the opening of the special session on November 17, 1947, the President addressed the Congress and made certain recommendations incident to a program to curb inflation in the United States (H. Doc. 430, 80th Cong., 1st sess.). The Committee on Banking and Currency held hearings on the anti-inflation program. Appearing as witnesses were Hon. John W. Snyder, Secretary of the Treasury; Hon.

Clinton P. Anderson, Secretary of Agriculture; Hon. William Averill Harriman, Secretary of Commerce; Hon. Lewis B. Schwellenbach, Secretary of Labor; Hon. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System; Hon. Oscar L. Chapman, Acting Secretary of the Interior; and Mr. J. M. Mehl, Administrator, Commodity Exchange Authority. The President recommended a 10-point program. There were some of these points which suggested legislation not primarily within the jurisdiction of the Committee on Banking and Currency. The committee gave consideration, however, to the whole program. It was necessary to do so in our attempts to get a full understanding not only of the purposes but the manner in which the objectives could be accomplished.

The President in his message asked, among other things, for the following categories of controls. In the first category he asked for authority to—

(1) Provide for allocation of transportation facilities and equipment.

(2) Provide for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain.

(3) Provide for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production.

(4) Provide for regulation of speculative trading on commodity exchanges.

In the second category the President asked for authority to restore consumer credit controls and restrain the creation of inflationary bank credit, to extend and strengthen export controls, to extend and strengthen rent control, to authorize consumer rationing on products in short supply which basically affect the cost of living and to authorize price ceilings on products in short supply which basically affect the cost of living or industrial production and to authorize such wage ceilings as are essential to maintain the necessary price ceilings.

As the committee understands the President's program, it is planned to put into operation voluntary agreements with respect to the requested authority contained in the first category. The testimony indicated that the program could be divided into three phases: (1) Voluntary controls, (2) statutory controls over priorities and allocations, and (3) price and wage controls. The testimony was to the effect that it was not expected to put into effect statutory controls until the voluntary program had been given a fair chance to accomplish its purposes and that price and wage controls would not be put into effect until and unless the voluntary program failed and it was found impossible to effectuate the purposes of the program by statutory allocation and priority controls. It was thought advisable to consult with representatives of industry, business and agriculture with a view to encouraging voluntary agreements. Administration witnesses were unable to give the committee explicit information as to how statutory controls might be applied and it became obvious that the Administration would not be in a position to inform the Congress as to how statutory controls would be applied until the voluntary program had had an opportunity to function. It became clear that no action would have to be taken at this special session of Congress regarding statutory controls.

The authority to enter into voluntary agreements contained in section 2 of the joint resolution is to enable the Administration to get



the program started. It should be definitely understood that this part of the program is purely voluntary. No representatives of industry, business, and agriculture would be compelled to consult with the President. Neither would they be compelled after consultation to enter into any agreement. To encourage consultations and agreements which might be an aid in the stabilization effort, the joint resolution provides that parties to any such agreement approved by the President or whomsoever he might designate shall be relieved from the operation of the antitrust laws and all other restraints, limitations, and prohibitions of law with respect to the making of such agreements. It is distinctly understood, and the joint resolution provides, that the agreements entered into shall not be binding industry-wide but shall be effective only against the parties to the agreement. Likewise, the President or anyone whom he might designate to act in his behalf is not obligated to approve any agreement.

In respect to the second category of the President's proposals, the committee thought many of them might not be required if the voluntary program was a success. Others were dependent upon the solution of problems incident to broad, basic, very important changes in the governmental monetary and fiscal policies. Obviously it was impracticable to try to cover them in the short period between now and the adjournment of the special session. The committee felt, however, that in respect to the proposals in the first category which constitute the first phase of the President's program, that it was advisable to enact them at this special session. In these respects the committee has endeavored to comply with that part of the President's program which it believes can safely be put into effect immediately.

The committee expects to continue to study the whole program and to explore its potential consequences in the next regular session of the Congress. From the testimony offered so far, however, the committee does not consider it advisable at this time to reverse the judgment of the President in his statement of November 9, 1946, that—

The general control over prices and wages is justifiable only so long as it is an effective instrument against inflation. I am convinced that the time has come when these controls can serve no useful purpose. I am, indeed, convinced that their further continuance would do the Nation's economy more harm than good \* \* \* In short, the law of supply and demand operating in the market place will, from now on, serve the people better than would continued regulation of prices by the Government.

It is true that the President is asking at this time not for over-all but for selective price controls. Here again, however, the testimony so far offered has not seemed to justify action by the Congress contrary to the judgment of the President and of the Price Administrator as expressed on November 9, 1946. The President then declared:

The Price Administrator has advised me that, with so much of the economy freed from price controls, clinging to the rest would, in his judgment, lead to distortions in production and diversion of goods to an extent far outweighing any benefit that could be achieved.

The fear of the committee has been that the imposition of selective price controls at this time might bring about precisely those "distortions" and that "diversion" which the President feared a year ago. On its face, an attempt at selective price control might diminish the production of precisely the goods that are in short supply, and

might tend to divert production to less scarce and less essential goods that are not controlled.

Moreover, the President pointed out in his radio address of October 14, 1946, that "Price control and wage control are largely dependent upon each other." It follows from this that selective price control would have to be accompanied by selective wage control. But if the price of steel, for example, were held down while the prices of other commodities were permitted to rise, could the Government hold down wages in the steel industry while allowing wages in other industries to go up? What would be the response of the steel labor unions to such a proposal? Would there, in fact, be any way to impose selective price controls that would not lead to a demand for return to over-all price and wage controls in order to prevent the "distortions" and "diversion" that an attempt at selective price control would bring about?

The committee does not intend definitely at this time to foreclose further consideration of these questions. It expects to make a further and more detailed study of the President's proposals at the next regular session, if more specific information can then be made available to the committee.

The committee believed there are two basic reasons for domestic high prices. First: prevailing money and credit policies, and second, the unusually large foreign demand for American goods in short supply. Consistent with this view, the committee provides in the joint resolution for the continuance of export controls. It is their belief that these controls should be exercised by the President in such a manner as to adjust exports to domestic stability. Concerning money and credit policies the President asked for authority to restrain the creation of inflationary bank credit. Accordingly, the committee has provided for the increase of gold reserve requirements against Federal Reserve bank deposits and against currency issued by the Federal Reserve banks. This should indicate that it is the policy of the Government to prevent, as far as possible, higher prices incident to the expansion of bank credit. It should indicate a change from present easy money and credit policies to a policy under which there would be a gradual decrease in the volume and velocity of money and credit in restraint of further inflationary pressures from this source. In consequence of this it is to be expected that the Government and the Federal Reserve Board will take such other action in conformity with their administrative responsibilities as may be necessary to aid in stabilizing prices and to otherwise effectuate steps toward a sound economy.

## EXPLANATION OF THE JOINT RESOLUTION BY SECTIONS

### DECLARATION OF PURPOSES

Section 1 declares that the purposes of the joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities which basically affect the cost of living or industrial production.



## VOLUNTARY AGREEMENTS

Subsection (a) of section 2 authorizes the President to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture of voluntary agreements which will carry out the purposes declared in section 1.

Subsection (b) of section 2 authorizes the President to approve any agreement between persons engaged in industry, business, or agriculture which he finds will carry out any of the purposes declared in section 1, except that he may not approve any agreement unless such agreement specifically provides that it shall cease to be in effect on or before March 1, 1949, and he may not approve any agreement which provides for the fixing of prices.

Section 5 of the joint resolution authorizes the President to delegate his authority under this section to any department, agency, or officer of the Government.

Subsection (c) of section 2 provides that parties to any agreement approved under this section are relieved from the operation of the antitrust laws and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreements and with respect to carrying out such agreements prior to March 1, 1949, in conformity with its provisions. It is the intention to permit the carrying out of approved agreements, notwithstanding any provision of Federal, State, or municipal law, to the full extent of the power of Congress to temporarily set aside the effect of such laws.

This section does not require the President to approve any agreement, even though it would carry out the purposes of section 1 of the joint resolution, and he would therefore be able to withhold his approval in the case of any agreement which he considered to be against the public interest or otherwise objectionable.

An agreement entered into under this section would not, of course, be binding on any person not a party to it.

Neither the Government nor any agency thereof would be parties to any such agreement, and the Government is not granted any power or authority to compel any person to carry out or conform with such an agreement. Any provisions of the agreement intended to require conformity with its provisions would be only such as the parties themselves agree to voluntarily.

## EXPORT CONTROLS

Section 3 of the joint resolution, as reported, extends the authority granted by section 6 of the Act of July 2, 1940 (the Export Control Act), until the close of February 28, 1949. Under section 6 (d) of such act such authority may be terminated on any prior date which the Congress by concurrent resolution or the President may designate.

## ALLOCATION OF TRANSPORTATION FACILITIES

Section 4 continues through February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, the powers, authority, and discretion with respect to the use of transportation equipment and facilities by rail carriers conferred on the President by title III of the Second War Powers Act, 1942, as amended.



## DELEGATION OF AUTHORITY

Under section 5 the powers, authority, and discretion conferred on the President with respect to voluntary agreements under section 2 of the joint resolution, with respect to exports under the Export Control Act, and with respect to the use of transportation equipment and facilities by rail carriers under section 4 of the joint resolution may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

## RESERVE REQUIREMENTS APPLICABLE TO FEDERAL RESERVE BANKS

Subsections (a) and (b) of section 6 of the joint resolution amend the first sentence of the third paragraph and the first sentence of the fourth paragraph of section 16 of the Federal Reserve Act, and subsection (c) of the joint resolution amends subsection (c) of section 11 of the Federal Reserve Act. The changes made in existing law by these amendments would restore the level of reserve requirements which existed before June 12, 1945, and were applicable with respect to Federal Reserve bank deposits and Federal Reserve notes in actual circulation.

Subsection (d) of section 6 of the joint resolution, as reported, provides that the amendments made by section 6 shall cease to be in effect at the close of February 28, 1949, and that thereafter the provisions of law amended by the section shall be in full force and effect as though the section had not been enacted.

## AUTHORIZATION FOR APPROPRIATIONS

Section 7 of the joint resolution authorizes to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of the joint resolution.

## CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

## SECTION 6 (D), ACT OF JULY 2, 1940

(d) The authority granted by this section shall terminate on [February 29, 1948] *February 28, 1949*, or any prior date which the Congress by concurrent resolution or the President may designate.

## THE THIRD PARAGRAPH OF SECTION 16 OF THE FEDERAL RESERVE ACT

Every Federal Reserve bank shall maintain reserves in gold certificates of not less than [25] 35 per centum against its deposits and reserves in gold certificates of not less than [25] 40 per centum against its Federal Reserve notes in actual circulation; Provided, however, That when the Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued to the bank such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation. \* \* \*

## THE FIRST SENTENCE OF THE FOURTH PARAGRAPH OF SECTION 16 OF THE FEDERAL RESERVE ACT

The Board of Governors of the Federal Reserve System shall require each Federal Reserve bank to maintain on deposit in the Treasury of the United States a sum in gold certificates sufficient in the judgment of the Secretary of the Treasury for the redemption of the Federal Reserve notes issued to such bank, but in no event less than 5 per centum of the total amount of notes issued less the amount of gold certificates held by the Federal Reserve agent as collateral security; but such deposit of gold certificates shall be counted and included as part of the [25] 40 per centum reserve hereinbefore required to be maintained against Federal Reserve notes in actual circulation. \* \* \*

## SUBSECTION (C) OF SECTION 11 OF THE FEDERAL RESERVE ACT

(c) to suspend for a period not exceeding thirty days, and from time to time to renew such suspension for periods not exceeding fifteen days, any reserve requirements specified in this Act: *Provided*, That it shall establish a graduated tax upon the amounts by which the reserve requirements of this Act may be permitted to fall below the level hereinafter specified: *And provided further*, That when the reserve held against Federal Reserve notes falls below [25] 40 per centum, the Board of Governors of the Federal Reserve System shall establish a graduated tax of not more than 1 per centum per annum upon such deficiency until the reserves fall to [20] 32½ per centum, and when said reserve falls below [20] 32½ per centum, a tax at the rate increasingly of not less than 1½ per centum per annum upon each 2½ per centum or fraction thereof that such reserve falls below [20] 32½ per centum. The tax shall be paid by the Reserve bank, but the Reserve bank shall add an amount equal to said tax to the rates of interest and discount fixed by the Board of Governors of the Federal Reserve System.





IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 1947

Mr. WOLCOTT introduced the following joint resolution; which was referred to the Committee on Banking and Currency

DECEMBER 12, 1947

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

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**JOINT RESOLUTION**

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

1       *Resolved by the Senate and House of Representatives*  
2       *of the United States of America in Congress assembled,*

3                               DECLARATION OF PURPOSES

4       SECTION 1. The purposes of this joint resolution are to  
5       aid in stabilizing the economy of the United States, to aid in  
6       curbing inflationary tendencies, to promote the orderly and  
7       equitable distribution of goods and facilities, and to aid in  
8       preventing maldistribution of goods and facilities which  
9       basically affect the cost of living or industrial production.

## VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

(3) providing for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production;

(4) providing for regulation of speculative trading on commodity exchanges; or

(5) which will otherwise carry out the purposes declared in section 1 of this joint resolution.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement ~~(1) which provides for the fixing of prices, or (2) agreement~~ unless such agreement specifically provides that it shall cease to be effective on or



1 before March 1, ~~1949~~ 1949, and he shall not approve any  
 2 agreement which provides for the fixing of prices.

3 (c) Parties to any agreement approved under this  
 4 section are hereby relieved from the operation of the anti-  
 5 trust laws, and of all other restraints, limitations, and pro-  
 6 hibitions of law, with respect to the making of such agree-  
 7 ment and with respect to carrying out such agreement prior  
 8 to March 1, 1949, in conformity with its provisions.

9 (d) As used in this section the term "person" means an  
 10 individual, corporation, partnership, or association.

#### 11 EXPORT CONTROLS

12 SEC. 3. ~~(a)~~ Section 6 (d) of the Act of July 2, 1940  
 13 (54 Stat. 714), as amended, is amended by striking out  
 14 "February 29, 1948" and inserting in lieu thereof "Feb-  
 15 ruary 28, 1949".

16 ~~(b)~~ Notwithstanding any other provision of law, the  
 17 President in the exercise of the powers, authority, and dis-  
 18 cretion conferred upon him by such Act of July 2, 1940, as  
 19 amended, is authorized to use price criteria in the licensing  
 20 of exports, either by giving preference among otherwise com-  
 21 parable applications to those which provide for the lowest  
 22 prices, or, in exceptional circumstances, by fixing reasonable  
 23 mark-ups in export prices over domestic prices.

#### 24 ALLOCATION OF TRANSPORTATION FACILITIES

25 SEC. 4. Notwithstanding any other provision of law,

1 title III of the Second War Powers Act, 1942, as amended,  
2 shall continue in effect to and including February 28, 1949,  
3 or such earlier date as the Congress by concurrent resolution  
4 or the President may designate, for the exercise of the  
5 powers, authority, and discretion conferred on the President  
6 by such title III with respect to the use of transportation  
7 equipment and facilities by rail carriers.

8 DELEGATION OF AUTHORITY

9 SEC. 5. The authority granted to the President by  
10 section 2 of this joint resolution and, notwithstanding the  
11 provisions of section 6 of the Second Decontrol Act of 1947,  
12 the authority granted to the President by section 4 of this  
13 joint resolution and by section 6 of the Act of July 2, 1940  
14 (54 Stat. 714), as amended, may, to the extent the Presi-  
15 dent directs, be exercised by any department, agency, or  
16 officer in the executive branch of the Government.

17 RESERVE REQUIREMENTS APPLICABLE TO FEDERAL RESERVE  
18 BANKS

19 SEC. 6. (a) The third paragraph of section 16 of the  
20 Federal Reserve Act, as amended, is amended by changing  
21 the first sentence of such paragraph to read as follows:

22 “Every Federal Reserve bank shall maintain reserves in  
23 gold certificates of not less than 35 per centum against its  
24 deposits and reserves in gold certificates of not less than 40  
25 per centum against its Federal Reserve notes in actual circu-



1 lation: *Provided, however,* That when the Federal Reserve  
2 agent holds gold certificates as collateral for Federal Reserve  
3 notes issued to the bank such gold certificates shall be  
4 counted as part of the reserve which such bank is required  
5 to maintain against its Federal Reserve notes in actual  
6 circulation.”

7 (b) The first sentence of the fourth paragraph of sec-  
8 tion 16 of the Federal Reserve Act, as amended, is amended  
9 by striking out “25 per centum” and inserting in lieu  
10 thereof “40 per centum”.

11 (c) Subsection (c) of section 11 of the Federal Re-  
12 serve Act, as amended, is amended to read as follows:

13 “(c) To suspend for a period not exceeding thirty days,  
14 and from time to time to renew such suspension for periods  
15 not exceeding fifteen days, any reserve requirements specified  
16 in this Act: *Provided,* That it shall establish a graduated tax  
17 upon the amounts by which the reserve requirements of this  
18 Act may be permitted to fall below the level hereinafter speci-  
19 fied: *And provided further,* That when the reserve held  
20 against Federal Reserve notes falls below 40 per centum, the  
21 Board of Governors of the Federal Reserve System shall  
22 establish a graduated tax of not more than 1 per centum per  
23 annum upon such deficiency until the reserves fall to  $32\frac{1}{2}$  per  
24 centum, and when said reserve falls below  $32\frac{1}{2}$  per centum, a  
25 tax at the rate increasingly of not less than  $1\frac{1}{2}$  per centum

1 per annum upon each  $2\frac{1}{2}$  per centum or fraction thereof that  
2 such reserve falls below  $32\frac{1}{2}$  per centum. The tax shall be  
3 paid by the Reserve bank, but the Reserve bank shall add an  
4 amount equal to said tax to the rates of interest and discount  
5 fixed by the Board of Governors of the Federal Reserve  
6 System.”

7 *(d) This section shall cease to be in effect at the close*  
8 *of February 28, 1949; and thereafter the provisions of law*  
9 *amended by this section shall be in full force and effect as*  
10 *though this section had not been enacted.*

11                   AUTHORIZATION FOR APPROPRIATIONS

12           SEC. 7. There is hereby authorized to be appropriated  
13 such amounts as may be necessary for purposes of carrying  
14 out the provisions of this joint resolution.



80TH CONGRESS  
1ST SESSION

**H. J. RES. 273**

[Report No. 1160]

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## JOINT RESOLUTION

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To aid in the stabilization of commodity prices,  
to aid in further stabilizing the economy of  
the United States, and for other purposes.

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By Mr. WOLCOTT

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DECEMBER 10, 1947

Referred to the Committee on Banking and Currency

DECEMBER 12, 1947

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed









# DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued December 16, 1947  
For actions of December 15, 1947  
80th-1st, No. 164

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HIGHLIGHTS: Congressional action completed on foreign-aid bill. House rejected Wolcott anti-inflation bill. Rep. Patman inserted administration's price-control proposals. Sen. O'Mahoney criticized Republican record re inflation.

## HOUSE AND SENATE

1. FOREIGN AID. Both Houses agreed to the conference report on S. 1774, the interim foreign-aid bill (pp. 11466-75, 11526-34). Senate approval was on a voice vote, and the House vote was 313-82. This bill will now be sent to the President.

The conferees had taken the following actions regarding the bill:

Agreed to the Andresen-Hope amendment on wheat carryover, modified so that it would not apply if the estimates of the President after Mar. 1, 1948, justify an increase in the amount available for export to recipient countries with full protection for domestic needs.

Agreed to the Anderson-Crawford amendment on sale of surplus commodities at wheat-equivalent prices, but extended its application to any other foreign aid law and provided for a report on Mar. 31, 1948, or as soon thereafter as practicable.

Agreed to the provision for advances of \$150,000,000 from RFC but amended it to make clear that no interest need be paid on such advances.

Fixed the amount at \$597,000,000 (as provided by the Senate; House figure was \$590,000,000) but included a provision for aid to China.

Specified food, medical supplies, fibers, fuel, petroleum and its products, fertilizer, pesticides, and seed, but omitted the Senate provision for such commodities as the President finds necessary; retained a House provision for "incentive goods" but limited purchases of such items to 5% of the total.

Eliminated the House provision for establishment of a National Food Conservation Committee.

Modified the provisions limiting purchases abroad, so that, except in the case of commodities not produced in commercial quantities in the U.S., not over 10% of the funds may be used to procure commodities abroad at

delivered cost higher than from the U.S., provided that the President find that such commodities are in short supply in the U.S.  
Eliminated the authorization for the President to delegate authority to department heads other than the Secretary of State.

#### SENATE

2. INFLATION CONTROL. Sen. O'Mahoney, Wyo., spoke in support of the President's economic program and criticized the Republican record (pp. 11482-93).  
A report prepared by the staff of the Joint Committee on the Economic Report, "Food Prices, Production, and Consumption," was ordered printed as a S. Doc. (p. 11465).  
Sen. Reed, Kans., inserted a letter from M. J. Wheeler recommending gradual lowering of prices (pp. 11463-4).
3. FOREIGN AID. A report of the Joint Committee on Nonessential Federal Expenditures, "Postwar Foreign Assistance," was ordered printed as S. Doc. 112 (p. 11464).  
Sen. Butler, Nebr., spoke in favor of "keeping as large a proportion as possible of our export trade in the hands of private export firms and other private business enterprises" (pp. 11493-4).
4. EXPORT CONTROL. S. 1842, to continue export-control authority, was re-referred to the Banking and Currency Committee (p. 11465).
5. INDIAN RELIEF. Passed with amendment H. R. 4627, to authorize appropriation of \$2,000,000 for relief of the Navajo and Hopi Indians (pp. 11477-80). (See also item 12.)
6. NOMINATIONS. Confirmed the nominations of J. M. Donaldson as Postmaster General and C. R. Gray, Jr., as Veterans' Administrator (p. 11495).
7. HORTICULTURE. Received resolutions from the Fla. Horticultural Society favoring additional controls over citrus canker and blackfly (p. 11463).

#### HOUSE

8. INFLATION. Rejected, 202 yeas to 183 nays, (a two-thirds majority is required) a motion by Rep. Wolcott, Mich., to suspend the rules and pass H. J. Res. 273, the Wolcott inflation-control bill (pp. 11508-18). The measure had been reported to the Banking and Currency Committee earlier in the day (H. Rept. 1160) (pp. 11550-1). As reported this resolution contained the same provisions as listed in Digest 162, except that it is made clear that the provision permitting the President to use "price criteria" in licensing exports is not price-control authority.  
Rep. Patman, Tex., inserted a letter to Rep. Wolcott, Mich., from Secretaries Krug, Anderson, Harriman, and Schwollenbach, together with a proposed bill to carry out the President's inflation-control program, "The Temporary Price Control Act of 1947" (pp. 11518-20).
9. FOREIGN AID; APPROPRIATIONS. Majority Leader Halleck announced that it is planned to consider today, Dec. 16, a deficiency appropriation bill which will include funds for the interim foreign-aid program (p. 11534).
10. HOUSING. Passed, 392-4, with amendments S. 1770, to increase the Federal Housing Administration insurance authorization by \$750,000,000 for residential housing with \$250,000,000 available immediately and \$500,000,000 only with approval of the President (pp. 11520-6). Sens. Tobey, Buck, Canehart, Maybank, and Taylor were appointed conferees for the Senate (p. 11494).



Rep. Murray, Wis., spoke in favor of loans for rural housing and said: "The Farm Home Administration has great difficulty in securing \$50,000,000 for insured farm and farm-home loans" (p. 11524).

11. EXECUTIVE ORGANIZATION. Agreed to the conference report on H.R. 4469, to authorize the Commission on Organization of the Executive Branch to procure the temporary or intermittent services of experts or consultants or organizations thereof (pp. 11535-6). The Senate has not yet acted on the report.
12. INDIAN RELIEF. Concurred in the Senate amendment to H.R. 4627, to authorize an appropriation for immediate relief of the Navajo and Hopi Indians (pp. 11534-5). This bill will now be sent to the President.
13. FOREIGN AID. Rep. Rich, Pa., spoke in favor of limiting U.S. exports of food, claiming the commodities are needed in the U.S. and that such exports are a cause of high prices (pp. 11537-8).  
Rep. Jackson, Calif., reported on conditions in Greece, and the progress of rehabilitation there (pp. 11543-6).
14. RECLAMATION; APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$29,375,000 for the Bureau of Reclamation (H.Doc. 477) (p. 11550).

#### BILLS INTRODUCED

15. INFLATION CONTROL. S. 1873, by Sen. Capehart, Ind., to maintain prosperity, promote full employment, and kill inflation. To Banking and Currency Committee. (p. 11464.) Remarks of author (pp. 11476-7).  
H.R. 4743, by Rep. Landis, Ind., to maintain prosperity, promote full employment, and kill inflation. To Banking and Currency Committee. (p. 11551.)
16. COMMODITY PRICE STABILIZATION. S.J.Res. 167, by Sen. Taft, Ohio, to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the U.S. To Banking and Currency Committee. (p. 11464.)
17. GRAZING LANDS. S. 1874, by Sen. Hatch, N.Mex., authorizing the head of the department or agency using the public domain for national-defense purposes to compensate holders of grazing permits and licenses for losses sustained by reason of such of public lands for national-defense purposes. To Public Lands Committee. (p. 11464.)
18. RECLAMATION. S. 1870, by Sen. Ecton, Mont., to provide for the adjustment of repayment contracts with respect to lands within the Flathead irrigation project, Mont. To Public Lands Committee. (p. 11464.)  
H.R. 4736, by Rep. D'Ewart, Mont., to provide for the adjustment of repayment contracts with respect to lands within the Flathead irrigation project, Mont. To Public Lands Committee. (p. 11551.)
19. FURS; FARM LOANS. H.J.Res. 275, by Rep. Hope, Kans., to authorize the Regional Agricultural Credit Corporation of D.C., to make loans to fur farmers. To Agriculture Committee. (p. 11551.)
20. FOREIGN AID; POSTAGE RATES. H.R. 4740, by Rep. Blatnik, Minn., to reduce postage rates on parcels containing food, clothing, or medicines mailed to certain foreign countries. To Post Office and Civil Service Committee. (p. 11551.)  
Remarks of author (p. A5091).
21. PERSONNEL. H.R. 4727, by Rep. Jones, Wash., H.R. 4734, by Rep. Almond, Va.,



H.R. 4735, by Rep. Beall, Md., and H.R. 4738, by Rep. Pfeifer, N.Y., to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia. To Post Office and Civil Service Committee. (p. 11551.)

H.R. 4744, by Rep. Rees, Kans., to amend the Veterans' Preference Act to include administrative reorganizations within the provisions of the act relating to reduction in personnel. To Post Office and Civil Service Committee. (p. 11551.)

H.R. 4745, by Rep. Rees, Kans., to amend the Veterans' Preference Act to provide compensation for preference eligibles illegally separated from the Federal service. To Post Office and Civil Service Committee. (p. 11551.)

22. VETERANS' BENEFITS. H.R. 4720, by Rep. Albert, Okla., H.R. 4724, by Rep. Colner, Miss., H.R. 4731, by Rep. Peterson, Fla., and H.R. 4737, by Rep. Hope, Kans., to amend the Servicemen's Readjustment Act to provide homes for veterans through veterans' homestead associations, and the public facilities essential therefor. To Veterans' Affairs Committee. (p. 11551.)

#### ITEMS IN APPENDIX

23. PRICE SUPPORTS. Rep. Murray, Wis., criticized Secretary Anderson's frequent absences from D.C. and USDA's administration of poultry price supports, including a tabulation of Midwest and Northwest prices (pp. A5055-6); questioned USDA's authority for poultry and meat price supports less than 90% of parity and inserting his correspondence with M.E. Dodd on the subject (pp. A5098-9); and blaming USDA for "distressingly low prices for chickens" (p. A5100).

24. RECLAMATION. Sen. McFarland, Ariz., inserted Secretary Anderson's recent speech, "How Far Is It to Water," and Secretary of Interior Krug's and Sen. Wherry's (Nebr.) speeches before the National Reclamation Assn. meeting at Phoenix, Ariz. (pp. A5078-80, A5057-61, A5053-5).

25. INFLATION CONTROLS. Extension of remarks of Reps. Madden and Ludlow (Ind.) criticizing the Wolcott inflation-control measure, H.J.Res. 273 (pp. A5055, A5061).

Sen. Taft, Ohio, inserted a Republican Policy Committee statement of the Committee's program for inflation-control (pp. A5080-1).

Rep. Tollefson, Wash., inserted a Tacoma (Wash.) Times editorial on inflation control (pp. A5097-8).

Rep. Scott, Pa., inserted a Philadelphia Inquirer editorial, "Truman Plays Politics With Inflation" (p. A5105).

Rep. Ellis, W.Va., inserted a Parkersburg (W.Va.) News editorial, "Helping Inflation" (pp. A5117-8).

26. FOREIGN AID. Various and sundry remarks and insertions on the foreign-aid program (pp. A5057, A5062, A5062-4, A5065-6, A5081-2, A5082, A5082-5, A5085-8, A5088-90, A5113, A5116-7).

27. WHEAT SALES. Sen. Butler, Nebr., inserted a Nebraska Farmer editorial, "Incentives to Sell Wheat" (p. A5064).

28. GRAZING LANDS. Rep. Moran, Wash., inserted a report of the work being done on the Nation's grazing lands and a tabulation of revenues from such lands (pp. A5070-1).

29. FOOD CONSERVATION. Extension of remarks of Rep. Poulson, Calif., suggesting a voluntary food-conservation plan for the people to carry out in their homes (p. A5090).

80TH CONGRESS  
1ST SESSION

# S. J. RES. 167

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IN THE SENATE OF THE UNITED STATES

DECEMBER 15 (legislative day, DECEMBER 4), 1947

Mr. TAFT introduced the following joint resolution; which was read twice and referred to the Committee on Banking and Currency

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## JOINT RESOLUTION

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

1        *Resolved by the Senate and House of Representatives*  
2        *of the United States of America in Congress assembled,*

3                                DECLARATION OF PURPOSES

4        SECTION 1. The purposes of this joint resolution are to  
5        aid in stabilizing the economy of the United States, to aid in  
6        curbing inflationary tendencies, to promote the orderly and  
7        equitable distribution of goods and facilities, and to aid in  
8        preventing maldistribution of goods and facilities which  
9        basically affect the cost of living or industrial production.

## VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

(3) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

(4) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Parties to any agreement approved under this



1 section are hereby relieved from the operation of the anti-  
2 trust laws, and of all other restraints, limitations, and pro-  
3 hibitions of law, with respect to the making of such agree-  
4 ment and with respect to carrying out such agreement prior  
5 to March 1, 1949, in conformity with its provisions.

6 (d) As used in this section the term "person" means an  
7 individual, corporation, partnership, or association.

#### 8 EXPORT CONTROLS

9 SEC. 3. Section 6 (d) of the Act of July 2, 1940 (54  
10 Stat. 714), as amended, is amended by striking out "Febru-  
11 ary 29, 1948" and inserting in lieu thereof "February 28,  
12 1949".

#### 13 ALLOCATION OF TRANSPORTATION FACILITIES

14 SEC. 4. Notwithstanding any other provision of law,  
15 title III of the Second War Powers Act, 1942, as amended,  
16 shall continue in effect to and including February 28, 1949,  
17 or such earlier date as the Congress by concurrent resolution  
18 or the President may designate, for the exercise of the  
19 powers, authority, and discretion conferred on the President  
20 by such title III with respect to the use of transportation  
21 equipment and facilities by rail carriers.

#### 22 DELEGATION OF AUTHORITY

23 SEC. 5. The authority granted to the President by  
24 section 2 of this joint resolution and, notwithstanding the  
25 provisions of section 6 of the Second Decontrol Act of 1947,

1 the authority granted to the President by section 4 of this  
2 joint resolution and by section 6 of the Act of July 2, 1940  
3 (54 Stat. 714), as amended, may, to the extent the Presi-  
4 dent directs, be exercised by any department, agency, or  
5 officer in the executive branch of the Government.

6 AUTHORIZATION FOR APPROPRIATIONS

7 SEC. 6. There is hereby authorized to be appropriated  
8 such amounts as may be necessary for purposes of carrying  
9 out the provisions of this joint resolution.









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## JOINT RESOLUTION

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To aid in the stabilization of commodity prices,  
to aid in further stabilizing the economy of  
the United States, and for other purposes.

---

By Mr. TAFT

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DECEMBER 15 (legislative day, DECEMBER 4), 1947

Read twice and referred to the Committee on  
Banking and Currency



# H. R. 4743

DECEMBER 15, 1947

# A BILL

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

4       SECTION 1. This Act may be cited as the “Price Mora-  
5   torium Act of 1947”.

7        SEC. 2. It is hereby declared to be in the national interest  
8        that the Congress provide a long-range program to protect  
9        and promote a sound national economy; such a program  
10       requires careful study and preparation and until such program  
11       is fully developed, it is necessary that the present price

1 present price spiral be stopped. It is the purpose of this  
2 Act to maintain prosperity, promote full employment, and  
3 kill inflation. To carry out the purposes of this Act, it is  
4 essential that there be full cooperation of all the people—the  
5 farmer, the wage earner, the businessman, the housewife,  
6 and the Government.

7 GENERAL PROVISION

8 SEC. 3. The maximum price at which any commodity,  
9 new or used, may be sold, bartered, or exchanged, shall be  
10 the prevailing price of the seller of such commodity at the  
11 close of his business day on December 13, 1947. No used  
12 motor vehicle may be sold at a price in excess of the sale  
13 price of a new item of like make or character, regardless of  
14 the date of manufacture. The prevailing price for any com-  
15 modity listed upon any trading exchange shall be the closing  
16 price of such commodity on such exchange on December  
17 13, 1947.

18 ENFORCEMENT

19 SEC. 4. Any person, firm, association, or corporation  
20 that willfully violates any provision of this Act shall, upon  
21 conviction, be subject to a fine of not more than \$5,000 or  
22 to imprisonment for not more than two years, or to both  
23 such fine and imprisonment.

24 It shall be the duty of the Attorney General to prosecute  
25 any violators of the provisions of this Act and jurisdiction of

1 all proceedings for violation of any of the provisions of this  
2 Act is hereby conferred upon the district courts of the United  
3 States.

4 TIME LIMIT

5 SEC. 5. The provisions of this Act shall terminate on  
6 May 1, 1948, or upon any date prior thereto fixed by Execu-  
7 tive order of the President.

8 APPLICABILITY

9 SEC. 6. The provisions of this Act shall be applicable  
10 to the United States, its Territories and possessions, and the  
11 District of Columbia.



80TH CONGRESS  
1ST Session

S. 1873

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# A BILL

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To maintain prosperity, promote full employment, and kill inflation.

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By Mr. CAPEHART

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DECEMBER 15 (legislative day, DECEMBER 4), 1947

Read twice, and referred to the Committee on  
Banking and Currency

As my colleague the Senator from Arkansas [Mr. FULBRIGHT] stated in a recent speech on the floor of the Senate:

This act of friendship has had a very great influence in the promotion of the good will and friendly relations that have prevailed between the people of America and the Chinese. \* \* \* The foresight of our Government nearly 50 years ago has paid great dividends in our relations with the people of Asia. \* \* \* Many students of the Chinese and other Asiatic peoples agree that our enlightened attitude toward China was our greatest defense to the propaganda of the Japanese in recent years and is to a great extent accountable for the loyalty of these people during the recent war.

I can tell Senators out of my own experience something about the beneficial results which have followed another project of a similar nature. The organization of which I speak is the Belgian-American Educational Foundation, of which I have been a director since it was created in 1920 by former President Herbert Hoover. The funds for this Foundation were derived from the liquidation of supplies which had been handled by the Belgian Relief Commission. During the 27 years of its existence this Foundation has arranged for the exchange of more than 700 individual students between the two countries.

Several important results have followed. At the outbreak of World War II nearly one-quarter of the teaching and research faculty of the Belgian universities had been graduate students in American universities. One Prime Minister and six Cabinet members have likewise done graduate work in American universities. Numbers of American and Belgian professors and specialists have been exchanged between our American and Belgian universities. I doubt whether there is a country in Europe where the ideals and purposes of the American people are better understood and respected than they are in Belgium. Belgium in Europe is a small country geographically, but I think I am safe in saying that there is no other country of Europe for which we in the United States have more respect and affection.

These two acts of friendship with China and Belgium respectively are outstanding landmarks in our history which have closely cemented the cordial relations—and, yes, affections—of the people of the United States for the Chinese and the Belgians.

In the light of these experiences, in light of Finland's need, and following our own Government's precedent of good will in handling the Boxer Indemnity in China, on behalf of my colleagues and myself, I am introducing a joint resolution to authorize the President of the United States to hold in a special fund the payment of interest that has just been made by the Government of the Republic of Finland on December 15 and any subsequent payments which the government of the Republic of Finland in the future may make in the discharge of its World War I indebtedness to our Government. This fund shall be used to finance the studies, instruction, technical training and other educational activities of citizens of Finland in our American institutions.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the full text of the joint resolution which I am introducing on behalf of the Senator Arkansas [Mr. FULBRIGHT], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Ohio [Mr. BRICKER], the Senator from California [Mr. KNOWLAND], the Senator from New Mexico [Mr. HATCH], the Senator from Massachusetts [Mr. LODGE], the Senator from Utah [Mr. THOMAS], the Senator from Minnesota [Mr. BALL], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. HILL], and myself.

There being no objection, the joint resolution (S. J. Res. 166) to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland, introduced by Mr. SMITH, for himself, Mr. FULBRIGHT, Mr. SALTONSTALL, Mr. BRICKER, Mr. KNOWLAND, Mr. HATCH, Mr. LODGE, Mr. THOMAS of Utah, Mr. BALL, Mr. O'MAHONEY, and Mr. HILL, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas the Republic of Finland alone among our debtors of the First World War has consistently made payments of principal and interest toward the retirement of its indebtedness to the United States; and

Whereas it is deemed proper, as an act of abiding friendship and good will which the people of the United States hold for the people of Finland, to provide that any further payments on its World War I debt by the Republic of Finland shall be held in a special fund for such use as will advance and strengthen the close ties of friendship which bind together our two peoples: Now, therefore, be it

*Resolved, etc.,* That any sums due or paid on and after December 15, 1947 by the Republic of Finland to the United States as interest on or in retirement of the principal of the debt incurred under the act of February 25, 1919, as refunded by the agreement dated May 1, 1923, pursuant to authority contained in the act of February 9, 1922, or of any other indebtedness incurred by that Republic and owing to the United States as a result of World War I, shall be placed in a special fund in the Treasury of the United States.

This fund shall be used to finance studies, instruction, technical training, and other educational activities for citizens of the Republic of Finland in the United States and its Territories and possessions, including payment for travel (together with transportation to and from Finland), tuition, subsistence, and other expenses incident to such activities, for the purpose of enabling the people of Finland to have the services of a new generation of technical experts to aid them in their efforts to rebuild the shattered economy and destroyed areas of their country.

Sec. 2. The Board of Foreign Scholarships, appointed pursuant to the act entitled "An act to amend the Surplus Property Act of 1944 to designate the Department of State as the disposal agency for surplus property outside the continental United States, its Territories and possessions, and for other purposes," approved August 1, 1946, shall, on nomination of the Government of the Republic of Finland, select students to receive benefits from the fund established by this

joint resolution. The Board, after conferring with the Government of the Republic of Finland, is authorized to make such rules and regulations relating to the granting of benefits from such fund, including allowances for travel, tuition, subsistence, and other expenses necessary to effectuate the purposes of this joint resolution, as it deems advisable.

Sec. 3. Expenditures from the fund shall be made by the Secretary of the Treasury, upon vouchers approved by the Board of Foreign Scholarships, under such rules and regulations as he may prescribe. Such expenditures shall be final and conclusive on all officers, departments, and agencies of the United States.

#### PERSONAL STATEMENT

Mr. CAIN. Mr. President, the junior Senator from Washington holds in his hand a clipping taken from the Washington Post of Friday, December 12. I ask unanimous consent to have it included in the RECORD as a part of my very brief remarks.

There being no objection, the clipping was ordered to be printed in the RECORD, as follows:

#### SENATORS ARE ROUGH ON REECE

(By Drew Pearson)

GOP National Chairman Carroll Reece has been dodging so many brickbats hurled at him by his own team, that he ventured nervously up to Capitol Hill the other day waving the white flag.

His visit was reported by the press, but what didn't get into the papers was the reaction which followed. One group of Republican Senators later dissected him in penetrating whispers on the Senate floor.

"Reece is the best man the Democrats have," bristled Vermont's RALPH FLANDERS.

To this HARRY CAIN of Washington and gentle-mannered JOE MCCARTHY, of Wisconsin, agreed.

"The Democrats certainly have done a better job of selling what they have accomplished to the country," remarked MCCARTHY.

Massachusetts' cautious HENRY CABOT LODGE leaned over and put in his two-bits' worth.

"Every time Reece opens his mouth," he added, "we lose another 10,000 votes."

NOTE.—Nevertheless, a tacit understanding was reached between Reece and his critics that he would stay on the job, though wear a gag in the future. It was agreed that Reece would stick to party organization and leave national policy to the Republican leadership on Capitol Hill.

Mr. CAIN. This clipping covers a portion of an article by Mr. Drew Pearson. It recites a conversation which Mr. Pearson said was held recently in some corner of the floor of the Senate. The parties to that conversation were said by Mr. Pearson to be the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Massachusetts [Mr. LODGE], the junior Senator from Wisconsin [Mr. MCCARTHY], and the junior Senator from Washington [Mr. CAIN]. The alleged conversation between these men constituted an attack upon Mr. Carroll Reece, the Republican national chairman. Two of the men are said to have pointed out that Mr. Reece was a liability to the Republican Party and the other two men were said to have endorsed and approved that opinion.

I suppose, Mr. President, that thousands of Americans read this purported conversation. Of those who read it I suppose that a large majority believed



what they read. This would be so because of the respect most Americans have for newspaper writers and columnists in general. All of us sometimes differ with the opinions expressed by members of the fourth estate, but we seldom have cause to believe that a writer uses a lie as a foundation for his opinion or story.

Mr. President, I have such cause. The conversation described by Mr. Pearson never took place on the floor of the Senate or anywhere else. So far as I know the four parties to the fictitious conversation have never passed the name of Mr. Reece between them.

In the year since I first came to the Senate Mr. Pearson has written critically of me on several occasions. I have sometimes been indignant and resentful over what he wrote and I have quietly told him so over my own signature, but I have never thought it proper before to reply publicly to one who has given me little reason to respect him.

But these remarks are proper, Mr. President, and they ought to be made, because Mr. Pearson has unfairly, unreasonably, and senselessly abused Mr. Reece through an imaginary dialog which was spawned by an individual who has been malicious, irresponsible, and mischief making.

Mr. President, I want to make two convictions and positions both clear and positive. The first is that Mr. Drew Pearson has lied about Mr. Reece without reason or excuse. Through doing this he has insulted the intelligence of his readers and broken faith with his profession.

Secondly, Mr. President, I want to say a happy word in support, but not in defense, of Mr. Reece. Any man who has earned as he has the Distinguished Service Cross, the Distinguished Service Medal and the Purple Heart on the field of battle needs no defenders. He is well able to take care of himself. My desire is to add support to his official mission and activities as national chairman of the Republican Party. For as long a time as he holds that portfolio I shall gladly work for and with him for what we jointly believe to be the good of our Nation and political party. I enjoy Carroll Reece as a personal friend; I respect him as a conscientious, honest and responsible party leader. Should I ever change my opinion I shall discuss my grievance in person with Mr. Reece and not through the pen of an individual to whom the truth and accurate reporting are often meaningless and unknown.

#### INFLATION MAY OVERWHELM US UNLESS CONGRESS GIVES GOVERNMENT POWER TO ACT

Mr. O'MAHONEY. Mr. President, I am very much pleased this afternoon to note that the distinguished senior Senator from Indiana [Mr. CAPEHART] has been so moved by spiraling prices that he presented upon the floor a bill to freeze prices. I have not had the opportunity of reading that bill, and in expressing my pleasure that he introduced such a bill I do so without in any way endorsing its provisions. My pleasure at its introduction arises from the fact that it represents another manifestation of

the fact that Members of the majority party in the Congress are beginning to realize that the philosophy with which they began the exercise of their control of the legislative processes was wrong and that it must be changed. They are now going through the painful process of changing their minds about the exercise of governmental power to protect the people from the sad effects of inflation. When they came into power in the Eightieth Congress, Mr. President, in January 1947, they came here, I am quite willing to acknowledge, with the sincere conviction that all that it was necessary to do to put this country back upon the high road of stable prosperity was to discharge a couple of million employees of the Federal Government, reduce the present budget far below the point to which the President himself had reduced it, lift all controls, and let the Government get out of the business of telling the people what they should do. That was the principle upon which the majority party of the Eightieth Congress began to act. But soon they came upon substantial difficulties as, for example, that which is represented by the oft-repeated promise, which they made last January, to cut the President's budget. The House of Representatives adopted the resolution promising to cut the President's budget by \$6,000,000,000.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. Does the able Senator from Wyoming suggest that perhaps the Republicans themselves now are willing to admit that they have had enough?

Mr. O'MAHONEY. I think they probably will admit that a little later; and by the introduction of measures similar to the one which was introduced here today, they are indicating a gradual perception of the economic facts of our times.

Mr. President, the resolution pledging a 6,000,000,000 cut of the budget came to the Senate. The majority leadership in the Senate said frankly, "We cannot reduce the budget by \$6,000,000,000"—it was said so here on the floor of the Senate—"but," they said, "we can reduce it by four and one-half billion dollars; surely we can cut this wasteful spending by four and one-half billion dollars." So they adopted the resolution. The resolution proposing a \$6,000,000,000 cut in the budget was amended so as to provide for a reduction of four and one-half billion dollars; and then, as a concession to some fiscal policy, they amended it so as also to provide that some of the reduction should be applied upon the national debt.

#### REPUBLICANS PROPOSED PHONY BUDGET CUTS

Mr. President, what happened to that resolution? Did they reduce the budget by \$6,000,000,000? Not at all. Did they reduce the budget by four and one-half billion dollars? Not at all. Did they reduce the budget in any way, shape, form, or manner? No. They went through the form of reducing the budget by placing what were called phony reductions—as, for example, an \$800,000,000 reduction in the appropriation for the Bureau of Internal Revenue for re-

funding taxes which had been overpaid. That was not a reduction in the cost of Government; it was merely a postponement of a debt of the Federal Government. They made that postponement, although the law makes it clear that when tax refunds are not paid, they carry 6-percent interest. So that vote to cut \$800,000,000 from the item for the refunding of overpaid taxes was actually a vote to require the Government of the United States to pay an additional 6-percent interest upon the postponed debt, whatever it might have been.

But, Mr. President, I did not rise to discuss that matter. I cite it only as an instance of the fact that that resolution died in conference. It never was brought to the floor of the Senate. The people of the country did not know that; and still this talk goes on about cutting the expenses of the Federal Government. I could go over those bills one by one, and could show how the facts of life compelled the majority to abandon its program of reducing governmental expenditures. When I say that, Mr. President, I do not say it as an advocate of increased governmental expenditures—not at all. I agree that governmental expenditures should be reduced to the very minimum; but I submit that that is precisely what has been the policy of the President of the United States and of the Bureau of the Budget—namely, to reduce the expenditures of the Government to a minimum.

#### NOW PROPOSE FUTILE ECONOMIC POLICY

I rose to discuss prices. I am moved to do so because the policy committee on the Republican side of the Senate and the Republican leaders of the House of Representatives have announced their purpose to deny the country relief from the effects of concentrated control over commodities that are in short supply, by providing for voluntary allocations and priorities, without giving the Government of the United States the power to compel action. I wish to show how perfectly futile any such policy would be.

#### PRESIDENT'S WARNING IGNORED

Mr. President, it is my conviction that there has now arisen in the United States in a clear and definite manner the fundamental issue of our time—which, sad to say, has been neglected for 25 years. It is the issue of whether the people shall control their economy or whether their economy is to be controlled by concentrated economic power in the hands of a few wealthy aggregations which now dominate the industrial scene. Last January the President of the United States in his economic report to Congress warned against rising prices. He warned Congress against the things that now are transpiring; and in July, when he sent in his midyear report, he repeated his warning. He asked the representatives of the people in the Congress to act in the public interest to hold down prices and to prevent the conditions which, as he pointed out, might easily result in depression.

What can we do by voluntary action? The President asked for voluntary action last January. I have his report in my hand. It was laid upon the desk of every Member of this body, it was laid



upon the desk of every Member of the House of Representatives. Said the President of the United States on the 8th of January 1947, more than 11 months ago:

Business should reduce prices wherever possible in order to bring about the necessary increase in consumer purchasing power to bolster their markets. Price reductions are especially needed in the case of goods such as many articles of food, clothing, housefurnishings, and building materials, whose prices have risen out of line. If business makes these reductions in a timely and orderly way, it will help sustain markets rather than destroy them.

Did we pay any attention to the President's warning? It fell upon deaf ears. Did business pay any attention? The warning again fell upon deaf ears.

Voluntary reduction of prices, Mr. President, is a delusion, and it will be a snare to the hopes of the people of America of somehow controlling this economy which has gotten out of hand.

**THE PREDICTION THAT FAILED—AND BLACK MARKETS STILL FLOURISH**

The Members of the Senate will recall that when we were battling here about the control of prices it was said by those who were agitating for the abandonment of all controls that the minute those controls were dropped production would increase, and the black market would disappear. The prices in the present market far exceed the prices of the black market under the controls.

The New York Times yesterday on its front page printed an article which should have the attention of the Congress of the United States through its appropriate committees. We should not waste 48 hours in reviewing the facts which are at the basis of this article. The title is:

Big black market in steel is found flourishing here. Fabulous prices being asked by profiteers for real or phantom metal. Two-thousand persons in deals. Three million to three and one-half million tons find way into racketeers' hands, survey estimates.

Under the byline Mr. Thomas E. Mulaney, the article reads as follows:

The black or "gray" market in basic and finished steel, disclaimed and minimized by the producers and fabricators of the vital industrial commodity, is no small enterprise. It is a gigantic business whose center is situated in New York City and which controls millions of tons of steel in various forms throughout the Nation.

I interrupt to ask Members of this body, what can the people of Tennessee do to protect themselves against this black market which is centered in New York City? What can the people of North Dakota do to protect themselves against this black market in steel centered in New York City? What can the people of Arkansas, or of Utah, or of Oregon, or of Mississippi, do to protect themselves, if their Government does not act?

Oh, but we are going to let these fellows do it "voluntarily." What a wonderful Christmas gift to the people of the United States. The Congress of the United States will allow the leaders of the steel industry to fight inflation.

Mr. President, I have in my hand a notice which was sent out by the United States Steel Corp. "for immediate release, Tuesday, October 28, 1947." This is from John Munhall III, director of public relations, United States Steel Corp. Subsidiaries, 1625 K Street NW., Washington, D. C., National 5064.

Reporting the earnings of United States Steel Corp. for the third quarter of 1947, Irving S. Olds, chairman, announced that the directors had today declared the quarterly dividend of \$1.75 per share on the preferred stock, payable November 20, 1947, to stockholders of record as of November 3, 1947, and a dividend of \$1.25 per share on the common stock, together with a special dividend of 75 cents per share on the common stock, both payable December 10, 1947, to stockholders of record as of November 7, 1947.

Mr. President, this is the company which raised the price of steel to the people of the United States just a few weeks before that.

**RECORD-BREAKING CORPORATE PROFITS—AND PROPAGANDA**

The figures which are available to the Congress of the United States prove that the corporate profits of institutions in this country for the first 9 months of 1947, after taxes, are greater than the corporate profits after taxes for the entire 12 months of 1946, and profits after taxes in 1946 were the largest in the history of corporate enterprise in the United States of America.

Mr. MORSE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield to the Senator from Oregon.

Mr. MORSE. I wish to say that once again, as is the case so frequently when the Senator from Wyoming speaks, I am in complete agreement with the major premises he lays down in his attacks on monopoly. Certainly what he has said this afternoon is deserving of further commendation from the junior Senator from Oregon, because I share the views of those who believe that one of the more effective checks against the ravages of inflation would be for the Congress of the United States to triple the appropriations for the enforcement of the antitrust laws. We should do that instead of talking about setting them aside by way of voluntary agreement. We must not permit big business combines to determine the flow of goods in this Nation by any voluntary agreement entered into outside of the protections of the antitrust laws.

I should like to direct the attention of the Senator from Wyoming to a very interesting advertisement by the National Association of Manufacturers which appears in today's newspaper, entitled "To Lick Inflation." I intend to comment on the advertisement at some length at a later date, but there are a few comments which I want to make on this occasion. There are many amusing things about this advertisement, especially in view of the fact that it was not so many months ago that we were reading propaganda of the same type put out by the National Association of Manufacturers, telling us in effect how

we could rely on the self-discipline of American industry to keep prices down. In those advertisements the National Association of Manufacturers and other propaganda forces of big business told us that prices would go down if we would just leave the matter up to American industry. We will just let the record speak for itself as to how effective that promised self-discipline on the part of American industry and business has been. The fact is that both prices and profits have skyrocketed since these propaganda forces succeeded in their drive against Government inflation checks.

I think, if the Senator from Wyoming will permit a comment, one of the most amusing sentences in this advertisement of the National Association of Manufacturers is this one:

To accomplish all three of these high purposes, the following 12-point program is offered by the National Association of Manufacturers—in the public interest.

If it were not so tragic it would be comic, may I say to the Senator from Wyoming, to find the words "in the public interest" in the advertisement. I submit that when the proposals are read, their effect is to show how the vested interests of the country can make higher and higher profits. There is not a word in the advertisement suggesting that American business proceed to limit its profits.

Mr. O'MAHONEY. There is not a single word suggesting that that be done. The National Association of Manufacturers and other business executives are so blind to what is going on that they do not know they are digging a pit into which they may push the whole capitalistic system.

Mr. MORSE. I submit that their greed and profiteering have so overcome their judgment that they have the audacity to insult the intelligence of the American people by an advertisement that, when one starts breaking it down into its 12 points, is nothing but the rationalization of a maneuver that will result in greater, not less, profiteering.

I have only one more comment on it, because I shall reserve my other comments for a longer analysis that I intend to make at a later date. But take the proposals one after another and show me anything in the proposals—

Mr. O'MAHONEY. If I may interrupt the Senator, the Senator says "take them." No, I will not take them—let the Senator take them and see what is done with them on that side of the aisle.

Mr. MORSE. I think this side of the aisle is going to take care of itself before we get through with the fight, because I have cause to believe that when the millions of registered Republican voters of this country are heard from between now and the Philadelphia convention, the National Association of Manufacturers' program will not be written into the Republican platform. I say that because if my party has any hope of winning the election in 1948 it must not fall for the scheme of the National Association of Manufacturers which, in essence,



will regiment our economy by big-business monopolies. It is a serious danger. Hence I repeat that the platform of the National Association of Manufacturers provides in point after point, apparently through so-called voluntary arrangements, to make it possible for greedy interests in this country to make higher and higher profits. Why, they even want now to permit the lifting of restrictions on interest rates so they can charge what the traffic will bear. In this advertisement they show that they are not even thinking of their stockholders any more, because they even want the controls protecting the rights of stockholders removed.

I want to say to the Senator from Wyoming in conclusion, when we talk about the need for increasing prices in order to take care of increased labor costs—because that is the song and dance of much of the propaganda of the National Association of Manufacturers—the fact is that in the major industries of the country, every time there has been a price increase in the name of an increase in labor cost, the price increase has been twice as much as was necessary to take care of the increase in labor costs. I think the time has come to put the lie on such propaganda as the National Association of Manufacturers is feeding the public of the country in the name of trying to check inflation as demonstrated by this advertisement. Their program will not check inflation. It will lead us to and through a boom-and-bust cycle. I insert at this point the entire advertisement of the National Association of Manufacturers. Its subterfuges speak for themselves.

[From the Washington Post of December 15, 1947]

#### TO LICK INFLATION

Everybody in America wants to halt the inflationary pressures that have been driving prices up. At the same time, we all want to maintain the standard of living of the American people, and provide the necessary amount of aid to foreign nations.

To accomplish all three of these high purposes, the following 12-point program is offered by the National Association of Manufacturers—in the public interest.

1. Reduce Government spending by maximum efficiency in administration; eliminating excessive Government personnel and activities; and postponing all Government expenditures not immediately necessary.

2. Provide funds for further capital investment by making an immediate and substantial reduction of individual income-tax rates.

3. Adopt a systematic plan for paying off the public debt, with provision for a minimum annual debt retirement of \$2,500,000,000.

4. Offer, and vigorously promote, a new long-term Government bond issue having an interest-bearing rate attractive to individual investors; the proceeds to be used to retire Government bonds held by banks.

5. Discourage inflationary expansion of bank credit by permitting interest rates to seek their own levels free of Government domination.

6. Redoubling by management of its efforts to increase production, to lower unit

costs, and to pass on the benefits of such increased productivity to the public.

7. Encourage management to plow back earnings and increase output, by eliminating present United States Treasury pressures on business to distribute at least 70 percent of its profits as dividends.

8. Encourage labor leaders to forego demands for further general increases in wages without a corresponding increase in productivity, except in cases of gross inequity.

9. Set aside all restrictions on individual productivity not essential to the safety and health of employees, and remove all feather-bedding rules.

10. Give emergency foreign relief in goods, not in dollars, with an American relief agency making the necessary purchases of whatever goods in whatever markets, here or abroad, prove most economical, and identify them as having been provided by the United States.

11. Finance, to the greatest extent feasible, reconstruction loans to foreign countries, as distinct from gifts and grants, through the World Bank and private sources rather than out of taxes collected from the American public.

12. Provide maximum incentive for increased production abroad by requiring foreign nations, as a condition of our aid, to establish sound currencies and to modify and eventually eliminate price controls and other controls over the internal production and distribution of commodities.

#### NATIONAL ASSOCIATION OF MANUFACTURERS.

Mr. O'MAHONEY. I thank the Senator from Oregon very deeply for that contribution. The advertisements which the National Association of Manufacturers is now publishing in all of the large and many of the small newspapers of the country, are paid for in ten-cent dollars, because 90 percent of the cost of every such advertisement is represented as a deduction upon tax returns, so that the money which ought to go to the Treasury of the people of the United States in order to help reduce the debt is being used to propagandize in favor of spiraling prices.

I wish to add at this point the cold figures taken from the reports of the steel and iron companies themselves. Many months ago, Mr. President, it was clear what the game would be, and how attempts would be made to sidetrack every sincere effort to stabilize the economy in the interest of the masses of the people, and so I went to the columns of the New York Times, in their business section, to compile reports of the companies themselves on their earnings and profits. I have before me a list showing the net profits of certain companies for the first 9-month period of 1947, to and including September 30, with comparative figures for the same period of 1946. According to the figures given to the New York Times by the American Brake Shoe Co., its net profits for the first 9 months of 1947 were \$3,525,199 as compared with \$2,449,422 in the comparable period in 1946; American Rolling Mill, \$18,165,398 as against \$12,488,684; Bethlehem Steel Co., for the first 9 months of 1947, \$38,710,728 as against \$29,794,650 for the same period a year ago. I shall not read all the figures, Mr. President, but shall ask that they all be embodied in the RECORD at this point.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

#### Profits of individual corporations in 1947

[The following figures have been taken from the financial statements published in the New York Times since Oct. 1, 1947. Unless otherwise stated they show net profits for the first 9-month period to and including September 30th and comparative figures for the same period for 1946. The list is not all-inclusive but presents the earnings of industries typical of certain groups and those where the profits appear extraordinary.]

	1947	1946
<b>BUSINESS MACHINES AND TYPEWRITERS</b>		
International Business Machine.....	\$17,610,802	\$13,115,986
National Cash Register.....	7,545,688	1,315,739
Underwood Corp.....	3,856,869	919,375
<b>CHEMICAL FERTILIZER</b>		
Monsanto Chemical.....	12,395,267	6,987,663
Consolidated Chemical.....	2,535,539	1,532,160
Commercial Solvents.....	6,217,560	3,008,669
Dow Chemical.....	4,396,398	3,607,303
Dupont.....	83,220,901	82,179,875
E. R. Squibb & Sons.....	5,525,386	5,151,403
Inter-Chemical.....	2,320,159	1,239,546
<b>FOOD AND BEVERAGE</b>		
Cocoa-Cola.....	23,810,416	17,375,785
Corn Products Refining.....	13,092,583	5,592,283
National Biscuit.....	26,024,222	13,513,225
New Niqueiro Sugar.....	494,721	202,916
Vertientes-Camaguey Sugar of Cuba.....	5,082,486	2,962,419
<b>GLASS</b>		
Libby-Owens-Ford.....	8,727,826	2,616,681
Owens Illinois Glass.....	16,402,124	11,211,455
<b>STEEL, IRON, COAL, METALS, AND METAL PRODUCTS</b>		
American Brake Shoe.....	3,525,199	2,449,422
American Rolling Mill.....	18,165,398	12,488,684
Bethlehem Steel.....	38,710,728	29,794,650
Detroit-Michigan Stove.....	1,700,143	1,254,391
Florence Stove.....	1,027,882	202,130
Inland Steel.....	16,241,583	9,900,773
Jones & Laughlin.....	16,682,738	6,109,260
Minneapolis-Honeywell Regulator.....	4,602,868	2,912,195
National Steel.....	19,903,655	13,941,320
Republic Steel.....	23,111,631	9,494,414
Revere Copper & Brass.....	6,676,295	3,198,103
Sloss-Sheffield Steel & Iron.....	1,352,650	294,816
Standard Steel Spring.....	2,116,015	555,531
United States Steel.....	97,306,461	57,467,894
Pennsylvania Coal & Coke Corp.....	249,617	70,690
Pittsburgh Consolidated Coal.....	9,009,170	4,168,712
<b>PETROLEUM</b>		
Continental Oil.....	24,889,113	12,061,245
Gulf Oil.....	42,510,375	26,746,013
Mid-Continental Petroleum Corp.....	12,763,618	7,662,872
Phillips Petroleum Co.....	25,706,157	14,763,153
Skelly Oil Co.....	13,448,167	6,484,106
Shell Union Oil Co.....	38,676,876	23,981,773
Standard Oil of California.....	66,544,580	48,990,458
Texas Co.....	78,396,388	50,360,115
Union Oil of California.....	13,749,940	6,624,352
<b>TEXTILES</b>		
M. Lowenstein & Sons.....	7,937,349	5,158,651
United Merchants & Manufacturers (producers and factors).....	21,132,358	9,098,705
<b>MISCELLANEOUS</b>		
Atlas Powder.....	1,472,841	588,021
Bendix Home Appliances.....	7,497,750	3,607,303
Commercial Investment Trust.....	5,197,934	3,400,417
Commercial Credit.....	5,411,956	3,179,928
Consolidated Cigar Corp.....	1,148,606	902,169
Electric Auto Lite Co.....	7,816,946	11,078,146
Federal Motor Truck.....	11,078,146	13,736,534
General Electric Corp.....	58,459,434	404,109
General Refractories.....	2,062,207	508,453
Georgia Hardwood Lumber.....	1,089,877	485,209
Johns Manville Corp.....	7,497,750	3,251,694
Minnesota & Ontario Paper Co.....	4,117,778	1,125,490

Footnotes at end of table.



*Profits of individual corporations in  
1947—Continued*

	1947	1946
MISCELLANEOUS—continued		
St. Regis Paper Co.....	\$11,055,144	\$3,775,622
Radio Corp. of America.....	12,233,758	4,007,429
Sherwin Williams Paint Co.....	9,408,056	6,919,600
Snyder Tool & Engineering Co.....	13 252,198	15 92,130
The Crane Co. (ventilators, pumps, heating and air condi- tioning units).....	15 1,402,136	16 446,385
Union Carbide & Carbon Co.....	54,865,182	40,331,672
Waukesha Motor Co.....	17 1,817,794	17 613,362

<sup>1</sup> Year ending June 30, 1947.

<sup>2</sup> Year ending June 30, 1946.

<sup>3</sup> 12-month period.

<sup>4</sup> 12 months to July 3, 1947.

<sup>5</sup> 12 months to Sept. 30.

<sup>6</sup> Year ending Sept 30, 1946.

<sup>7</sup> Net income.

<sup>8</sup> Loss in 1946.

<sup>9</sup> First 6 months.

<sup>10</sup> The 66,544,580 does not include a dividend of \$10,450,365 from the Arabian American Oil Co. which was equal to 80 cents a share of Standard stock.

<sup>11</sup> Equal to \$5.23 a share compared with \$1.50 a share in 1946.

<sup>12</sup> 9 months.

<sup>13</sup> All of 1946.

<sup>14</sup> Strike of 1946 contributed to low earnings for that year.

<sup>15</sup> Year ending Aug. 2.

<sup>16</sup> Year ending August.

<sup>17</sup> Year ending July.

Mr. O'MAHONEY. I wish to call attention to the fact that Jones & Laughlin in 1947 had net profits of \$16,682,738, as against \$6,109,260 in 1946. The United States Steel Co., which cut this melon in October for a special dividend to its stockholders, in the first 9 months of 1947 had net profits of \$97,306,461 as against \$57,467,894, or an increase of approximately \$40,000,000 net profit in 9 months.

Mr. President, the significance of what I say is to be found in the fact that corporate profits generally for the first 9 months of 1947 are greater than the total profits of corporations for the 12 months of 1946.

I observed with great interest the report which was filed in the House in support of the Wolcott bill by the Banking and Currency Committee.

Mr. McMAHON. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield to the Senator from Connecticut.

Mr. McMAHON. After listening to the Senator from Wyoming and the Senator from Oregon, it seems to me that they are characterizing the Manufacturers' Association program as one for stealing the country instead of saving it.

**THE WOLCOTT BILL A TAP ON THE WRIST**

Mr. O'MAHONEY. The Senator's comment is very appropriate. But when we think of voluntary control by these executives who have been under public pressure for a year to exercise voluntary controls and have not done so, what shall we conclude will be the result of this slap on the wrist proposed by the Wolcott bill accompanied by this language? I read from the report:

It is distinctly understood—

I take it the committee meant by that that nobody should be under any misapprehension—

It is distinctly understood, and the joint resolution provides, that the agreements entered into shall not be binding industry-wide but shall be effective only against the parties to the agreement. Likewise, the President or anyone whom he might designate to act

in his behalf is not obligated to approve any agreement.

Now, it was a great concession to make to the President of the United States that he is not obligated to approve an agreement. Imagine a committee of the Congress of the United States feeling that it has to say in a report that without a constitutional amendment the Congress is not attempting to pass a law obligating the President to approve a plan voluntarily proposed by a partial group in industry.

That, Mr. President, brings us back to the black market as reported by the New York Times, after a 3-week investigation.

For the last 3 weeks—

Says Mr. Mullaney—

It has been observed first hand that scores of local brokers, dealers, and entrepreneurs from almost every walk of life are trying to peddle fantastic tonnages of real or phantom steel at fabulous prices three and four times the official quotations for the products involved. To declare that perhaps 2,000 persons in the city are engaged in this activity may be understatement.

Most of the profiteering is being done in sheet and strip steel of the type used by automotive and appliance manufacturers, but the gray market also is strongly active in scrap metal and nails.

Estimating the amount of steel that has been funneled to racketeers is no easy task because of the multitude of phony offers being made. Some steel company spokesmen have guessed that approximately 3,000,000 to 3,500,000 tons of finished steel, or around 5 percent of total output, have gone, unintentionally and unfortunately, into the hands of the profiteers.

Unintentionally and unfortunately are the words used by the author of this story. I think that is a subject which would bear a little examination.

One buyer for several prominent manufacturing concerns, however, has placed the volume at close to 11,000,000 tons. Very likely the actual figure splits the range.

**LITTLE BUSINESS AT MERCY OF GRAY MARKET**

Let it be borne in mind, Mr. President, that a buyer operating in New York acts as the agent of scores of little businessmen all through the United States, out in your State and in my State. These little fabricators of steel are unable to maintain large buying organizations. So they place their orders through these brokers. The brokers go around to obtain the steel. Are we to believe that the brokers secure the steel without the knowledge of the manufacturers of the steel? Three and a half million tons of steel cannot be put into a handbag. It has to go to some storage warehouse, and someone has to pay rent for the storage warehouse. Are we, as realistic persons, to believe that a commodity such as steel can be moved out of the mills of the great industrial manufacturers of steel into the hands of the black marketeers without the knowledge of someone in that organization?

A little operator of a ladies' ready-to-wear store in my State returning home from New York where he was trying to buy ladies' ready-to-wear garments for next season's retail trade, dropped into my office to tell me that the prices for ladies' garments next spring will be so high that he doubts very much whether

any young women, or any women for that matter, in the lower-income groups will be able to afford the purchase of even the cheapest of these garments. "How does it come about?" I asked him.

"Well," he reported to me—and this of course is a report not made under oath, but the gentleman with whom I was speaking is an honorable man, an able businessman, and he knows his way around—"The manufacturer of ladies' ready-to-wear clothing will give an order to the mill for fabric enough to make the number of garments he thinks his trade will want to buy. Then perhaps a little bit later he discovers that he has not ordered enough. He will go back to the mill, and the mill will say, 'Well, we are sorry we are out of that particular fabric. There has been such a great demand for it that we cannot give you any. But over at such and such a place around the corner Broker XYZ has a lot of it. You go over there and you will secure what you need.'"

The manufacturer goes over there and then runs into the gray market. Then he runs into the extortionate price. And we like children are going to say, "Let us have voluntary control." Are we going to try to fool the people of America, Mr. President? They will not be fooled by that sort of stuff. They know that prices are going up. They know that they will continue to go up unless the people's Government does something about it.

The Senator from Oregon is speaking good Republican doctrine when he advocates Government action in a positive manner. Abraham Lincoln was a pretty good Republican. When the Lincoln papers which had not previously been made public, but had been kept by his son, Robert Todd Lincoln, were made public just a few months ago at the Congressional Library, I was greatly interested to note a little sentence in his handwriting in which he spoke about the powers and duties of government. In that little memorandum he said it was the obligation of government to do those things for the people which the people could not do for themselves.

I say that it is the obligation of the Government of the United States to take hold of the price problem in an effective way, and not in the puny and pusillanimous way which is suggested by voluntary price controls and allocation controls, with the distinct understanding that no one need obey them.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MORSE. I agree with the Senator. This noon I had lunch with a fine representative of the automobile industry in this country. I am pleased to be able to report to the Senator from Wyoming that he supported my position on this issue. I am glad to be able to say that because in times past some of the leadership of the automobile industry has been none too kindly disposed toward the junior Senator from Oregon, because of some decisions which I have rendered in labor cases which went against some of the automobile companies on the record of the trial of those cases. But it was rather interesting to



note this noon that this representative of the automobile industry deprecated the proposals to set aside the antitrust laws by voluntary agreements entered into by some business tycoons. He thinks there is a very great danger that we may fall for a proposal to set aside the antitrust laws by way of voluntary agreements among big business price fixers. He fears, and rightly so, that the provision that such agreements must be approved by the President of the United States is no real protection at all because it places these monopolists in a position of "passing the buck" to the President if he does not accept their agreements. I am not going to take that hook, either with the political bait on it or off it, because I know that such a proposal is not in the best interests of either all the people of the country or of large segments of industry such as the automobile industry. It is a blow against the true meaning of a free enterprise system. It is economic regimentation by monopolists.

Mr. O'MAHONEY. I am not at all surprised that the automobile industry has taken that position. Mr. Paul Hoffman, president of the Studebaker Corp., and the head of the Committee on Economic Development—which, let me say for the RECORD, is not a Government organization, but an organization of free enterprise—appeared before our committee, the Joint Committee on the Economic Report, and told us that there was a backlog of 19,000,000 automobiles which were not made in the United States during the war, and which are waiting to be made. There was a demand for those cars, but the steel companies, which are boosting their dividends and raising prices, are not giving the motorcar industry the steel it needs. As a result, every county in America is suffering.

Mr. MORSE. Let me say to the Senator from Wyoming that this representative of the automobile industry who discussed the problem with me today pointed out the firm belief of the leaders of the automobile industry in a free enterprise system. He told me that they do not see how the competitive system can be retained if we ever give such power over supply and over prices to certain business combines who would welcome the chance by voluntary agreements, so-called, to regulate the distribution of steel.

Mr. O'MAHONEY. It will be remembered that I was reading from Mr. Mullaney's article from the New York Times. He had quoted one buyer as saying that the volume of steel in the black market in New York City was as high as 11,000,000 tons. Mr. Mullaney says:

Very likely the actual figure splits the range. Be that as it may, the fact is that substantial tonnages of the material which turns the wheels of 40 percent of America's industry have been removed from their normal markets by opportunists who are commanding—and getting—premium prices from the buyers best able to pay. Various sizes and gages of sheet and strip steel, for instance, are being disposed of, easily, at prices running between \$150 and \$350 a ton, whereas the price ordinarily paid for these

different products ranges between \$85 and \$95 a ton.

Is it not obvious, Mr. President, that when a fabricator of steel is compelled to pay a black-market price of \$350 a ton he must raise his prices too?

What do we propose to do about it? We know that the farmers of America in the Grain Belt have been unable to ship the grain which they have produced and which they hold on their farms, because there are not enough cars. We know that the production of coal in coal mines is being held up because there are not enough cars in which to transport the coal.

It is also a fact, Mr. President—and I state it upon information and belief—that the car manufacturers of the United States are not getting the steel they want from the steel industry, because it has deliberately followed the policy of raising prices and splitting dividends, instead of following the policy of increasing production.

#### GOVERNMENT MUST PROTECT PEOPLE FROM PRIVATE REGIMENTATION

In his economic message of January 8, 1947, the President urged increased production in steel. He urged voluntary action. Was anything done? Ah, Mr. President, we shall be deceiving ourselves completely if we imagine for 1 minute that we can turn the economy of this Nation over to the small group of members who sit at the top of our economic system and issue their private directives of a private government, which every man jack in America must obey. We talk about regimentation by government, and directives by government.

Mr. President, these rising prices, these burgeoning profits, tell us the story of what private regimentation does. If the Government of the United States, as represented in its Congress, declines to take action, where can the people of America go for relief? We have the power. A distinguished authority on the Constitution of the United States [Mr. DONNELL] sits in the chair at this hour. The first article of the Constitution provides that the Congress shall have the power to regulate commerce among the States and with foreign countries. There is a grant of complete power to regulate commerce. It is commerce under private regulation which is causing the inflation which can destroy this Government.

See the havoc which has been wrought elsewhere. Shall we say that it cannot happen here?

Mr. President, after World War No. 1 we had a depression. Prices went away up first, and then they tumbled; and when they tumbled every person in America paid the price. I remember when I appeared before the Banking and Currency Committee in the Seventy-ninth Congress in support of the Employment Act which created the Board of Economic Advisers to the President and the Joint Committee on the Economic Report. I presented there the figures to show that between the date of the crash in 1929 and the year 1940 the businesses of America had lost in sales \$355,000,000,000, or \$70,000,000,000 more than the entire war debt of the United States.

#### YOU CAN'T FIGHT INFLATION WITH FEATHER DUSTERS

Have we any intelligence? Are we blind? Do we think we can fight inflation with a feather duster, and with polite phrases, when things like this are happening?

I continue reading from Mr. Mullaney's article:

Scrap metal, which currently is quoted at \$40 a ton delivered in the Pittsburgh area, is selling freely in the gray market at levels between \$4 and \$15 a ton above the market price at a time when the domestic steel production is being held 3 to 4 percent under capacity for lack of this critical material. Nails, the valuation of which would not exceed \$4 a keg, even under inflated price schedules, are being denied to many construction companies because the gray market has commandeered huge quantities of them and is offering them at \$8 to \$11.75 a keg.

Mr. President, I could entertain the Senate for another hour reading the remainder of this article, but I shall not do so. I ask unanimous consent that the entire article be printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

**BIG BLACK MARKET IN STEEL IS FOUND FLOURISHING HERE—FABULOUS PRICES BEING ASKED BY PROFITEERS FOR REAL OR PHANTOM METAL—2,000 PERSONS IN DEALS—3,000,000 TO 3,500,000 TONS FIND WAY INTO RACKETEERS' HANDS, SURVEY ESTIMATES**

(By Thomas E. Mullaney)

The black or "gray" market in basic and finished steel, disclaimed and minimized by the producers and fabricators of the vital industrial commodity, is no small enterprise. It is a gigantic business whose center is situated in New York City and which controls millions of tons of steel in various forms throughout the Nation.

For the last 3 weeks it has been observed first hand that scores of local brokers, dealers, and entrepreneurs from almost every walk of life are trying to peddle fantastic tonnages of real or phantom steel at fabulous prices three and four times the official quotations for the products involved. To declare that perhaps 2,000 persons in the city are engaged in this activity may be understatement.

Most of the profiteering is being done in sheet and strip steel of the type used by automotive and appliance manufacturers, but the gray market also is strongly active in scrap metal and nails.

Estimating the amount of steel that has been funneled to racketeers is no easy task because of the multitude of phony offers being made. Some steel company spokesmen have guessed that approximately 3,000,000 to 3,500,000 tons of finished steel, or around 5 percent of total output, have gone, unintentionally and unfortunately, into the hands of the profiteers. One buyer for several prominent manufacturing concerns, however, has placed the volume at close to 11,000,000 tons. Very likely the actual figure splits the range.

#### REMOVED FROM NORMAL MARKET

Be that as it may, the fact is that substantial tonnages of the material which turns the wheels of 40 percent of America's industry have been removed from their normal markets by opportunists who are commanding—and getting—premium prices from the buyers best able to pay. Various sizes and gages of sheet and strip steel, for instance, are being disposed of, easily, at prices running between \$150 and \$350 a ton, where-



as the price ordinarily paid for these different products ranges between \$85 and \$95 a ton.

Scrap metal, which currently is quoted at \$40 a ton delivered in the Pittsburgh area, is selling freely in the gray market at levels between \$4 and \$15 a ton above the market price, at a time when the domestic steel production is being held 3 to 4 percent under capacity for lack of this critical material. Nails, the valuation of which would not exceed \$4 a keg, even under inflated price schedules, are being denied to many construction companies because the gray market has commandeered huge quantities of them and is offering them at \$8 to \$11.75 a keg.

During this 3-week scouting venture in the steel gray market, contact was made with dozens of acknowledged profiteers who came to the office of a New York buyer's representative boldly proffering actual steel at the amazing prices cited. As many, and more, nonprofessionals pretending to have impossible tonnages of critically scarce sheet and strip steel also appeared during this time.

Their game, apparently, is to attempt to discover the maximum price that a legitimate purchaser will pay for particular types of steel and then to scurry frantically to round up the steel at a price that would yield a handsome return to them as middlemen.

#### TEN THOUSAND TONS AT HIGH PRICE

Opportunity was afforded also during the 3 weeks to examine thoroughly the index cards, correspondence, purchase requests, sales transactions, and other files of this local buyer for industrial companies. The investigation revealed that, in the last 8 months, this one purchasing agent has bought 10,000 tons of steel at prices ranging between \$120 and \$320 a ton, with the vast majority of the transactions being consummated at levels above \$250 a ton.

The buyer is Norman J. Edelmenn, president of Know-how, Inc., located on the second floor of a four-story brownstone house at 425 East Fiftieth Street. He alleges that his organization, which he calls a finding company, has not engaged in gray-market activities except insofar as it has openly bought from these profiteers at the extraordinary prices that they have demanded. His only compensation, he maintains, is a regular finder's fee of \$5 a ton for quantities under 1,000 tons found and \$1 a ton when the tonnages exceed that total.

Mr. Edelmenn disclosed that he now holds firm orders for more than 3,000,000 tons of sheet and strip steel from 68 large manufacturing companies in all sections of the country. The prices they are willing to pay, he said, start at \$120 a ton and mount up to \$260 a ton.

Among his standing purchase orders are one from a company in Detroit producing automotive parts asking for 160,000 tons of sheet steel over a 12-month period at \$169 a ton; another offer comes from a national radio manufacturing company seeking steel at \$250 a ton, and a third offer was submitted by a Southwest manufacturing group asking for 96,000 tons of hot-rolled, pickled sheets over a long period at \$150 a ton.

In addition to these, Mr. Edelmenn declared, he is constantly receiving offers of scrap iron and steel from dealers seeking to trade the material on the basis of 3 tons of scrap for 1 ton of finished steel. Another offer of scrap was made last week by a local dealer who made 500 tons of the material available to him each week for an indefinite period with the proviso that "you make the most advantageous deal for this scrap that you can make and submit to us the market price plus 20 percent of any profits derived."

The most recent deals completed by Know-how, its 41-year-old president declared, were: (1), the sale of 3,500 tons of sheet steel to an eastern manufacturer at \$260 a ton, on which Know-how realized its usual profit but

middlemen received \$11 a ton; (2), the sale of 4,500 tons of steel pontons for use as scrap to one of the Nation's top steel companies at \$36.50 a ton plus 50 cents a ton to Know-how as a finder's fee. The preparation price on the last lot will run up to approximately \$8 a ton, making the actual price about \$45 a ton, Mr. Edelmenn said.

The president of Know-how said that his purpose in exposing the gray market in operation was "to smoke out the phony operators and their fantastic prices so that American business can again obtain their supplies in normal markets through legitimate channels and at fair prices." He said that the inflated quotations on scarce materials, such as steel, charged by the flock of racketeers extant are responsible for the continuing high prices of many lines of durable goods.

Mr. O'MAHONEY. Food, Mr. President, is the basic element in the high cost of living. But before I comment upon that I wish to make one remark regarding a press release which I received in the mail on Saturday from Mr. Fowler McCormack, chairman of the board of the International Harvester Co., at Chicago. Mr. McCormack appeared before the joint committee and made a very favorable impression upon that committee as an enlightened executive who was seeking to keep prices down. As a matter of fact, the company had reduced prices. But this press release tells about their increasing prices.

Based on the present rate of sales—

Says the document—

the increases raise the cost of the company's product to customers an estimated 5 percent on the average over present list prices and an addition of 2 percent over prices on March 9, 1947, when the company reduced its prices. Increasing costs of materials, wages, and transportation are cited as the reason by Mr. McCormack.

What I desire to point out is that even a company, the manager of which is such an enlightened person as Mr. Fowler McCormack, is now raising prices. They tried to keep prices down, but the force of inflation is overpowering that leader and that company. Does anyone imagine that the voluntary agreement which the committee report says is not obligatory upon members of industry will be of aid? Does anyone imagine that such an agreement will aid Mr. McCormack to keep the prices of farm implements down for the farmers of America? The time has gone for pussyfooting. The time has gone for political pettyfogging. The time has gone for trying to seek somebody to blame. The time is here to do something for the people of America.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from New Mexico.

Mr. HATCH. The Senator from Wyoming has just been making some remarks which I myself have wanted to make. I think the time has passed for political pettyfogging. Political pussyfooting should be gone. The issue should be met, and met now.

I have not been too happy with this special session of the Congress insofar as my own party is concerned, in that we have not introduced a bill ourselves carrying into effect the President's proposals. I certainly have been most unhappy that

the other side of the Chamber which controls the Senate has not faced up squarely to the most dangerous question before our country.

I learned only a few moments ago that there has been sent to the Committee on Banking and Currency a bill today which does carry out in detail the President's proposals. Is the Senator aware of that?

Mr. O'MAHONEY. The Senator is quite right. Such a bill has been presented.

Mr. BARKLEY. Mr. President, it ought to be made clear that the bill has not been introduced in the Senate. As the Senators well know, the Secretary of Commerce was requested by the President to sort of head up a program to prepare legislation to carry out the President's recommendations. There was some natural hesitation to send the bill down from the executive department, on the grounds that heretofore frequently the charge has been made that the executive department was trying to cram something down the throat of the Congress.

Mr. O'MAHONEY. It would have been a "must" bill.

Mr. BARKLEY. Yes; it would have been a "must" bill. But no bill on the subject has been introduced in the Senate. Even the program which has been announced in the newspapers as coming from the majority policy committee or the majority conference has not been introduced in the form of a bill. It has been given out as a statement and has been printed in the newspapers.

The Secretary of Commerce has sent to the chairman of the Committee on Banking and Currency, the Senator from New Hampshire [Mr. Tobey], the draft of a bill carrying out the recommendations of the President. Whether the chairman of that committee will introduce the bill I do not know. I understand that the Senator from New Hampshire is absent from the city today, and it has been impossible to ascertain whether he will introduce the bill or whether he will report it as chairman of the Banking and Currency Committee. But the Secretary of Commerce felt that the original of this bill should be sent to the chairman of that committee, along with a letter which I understand has been given to the press today. It is probably printed in the CONGRESSIONAL RECORD on the House side, and a bill has been introduced over there. A bill has been presented by a group of Secretaries, including the Secretary of the Interior, the Secretary of Commerce, the Secretary of Labor, and the Secretary of Agriculture, all of whom signed the accompanying letter to the chairman of the Committee on Banking and Currency. No doubt that bill will be printed in the press as of today. So that there has been a bill presented, although not introduced here. Personally I felt that as a courtesy to the chairman of the Committee on Banking and Currency he should be given an opportunity to introduce a bill if he so desires, inasmuch as it was sent to him originally before being introduced here.

Mr. HATCH. Mr. President, if the Senator will yield still further—

Mr. O'MAHONEY. I yield to the Senator from New Mexico.



Mr. HATCH. I want to reassert what I have said, that I think the Senator from Wyoming has been saying very eloquently that the question of inflation is the most serious threat to the institutions of free government that this country has faced perhaps in a generation. I think it is the first duty of Congress, even before a campaign for the next President is conducted, that appropriate action should be taken. I mean by that, that more important than whether Republicans are elected or Democrats are elected next year, Congress now faces this issue regardless of party politics, and that in the interest of the country as a whole each and every one of us can well afford to take our stand on what we think will avoid this danger to the country, regardless of what may happen to our own political selves.

I hope, Mr. President, that whether the chairman of the Committee on Banking and Currency introduces the bill, some one will introduce a comprehensive measure which will be brought to the floor of this body and in the other branch of the Congress which may be for the welfare of America.

WITH NATION'S LIFEBLOOD AT STAKE, CONGRESS  
FIDDLES

Mr. O'MAHONEY. I am very grateful to the Senator from New Mexico for his statement. It represents the high degree of statesmanship that he has always exhibited as a Member of this body.

I am here, Mr. President, not as a Democrat primarily, but as a citizen of the State of Wyoming; and when I raise my voice I raise it for all the people of that State, regardless of politics. I should regard myself as completely derelict in my duties under my oath of office if I should guide my policy upon the floor by some notion of what effect it might have on the Presidential campaign of next year. We are dealing here with the lifeblood of the people of America. The Joint Committee on the Economic Report, created by the law and under obligation to study and then report, did practically nothing throughout the entire first session of the Eightieth Congress. It held some public hearings. I recommend those hearings to every Member of the Senate; I recommend that they read the testimony that was given there by representatives of every possible shade of economic opinion. That testimony came from men in business, men in big industry, men in education. It was agreed among all of them that action is necessary. Of course, there was disagreement as to the type of action. But we are in danger of not acting because some voter may misunderstand what we say or what we try to say.

Mr. President, I undertake to declare that the voters of America are far ahead of those leaders who try to pussyfoot on this issue. I know that the cattlemen of my State believe that prices are too high. I know that livestock men generally throughout the Nation believe that prices are too high. They do not know how to bring them down; they cannot bring them down. But today the black markets are operating; and the managers of big business, who sit down in New York and fix prices and determine

how prices are to be made and how much profit is to be made, control our economy while the Congress of the United States, which is constitutionally empowered to control our economy just fiddles along.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. A moment ago the Senator from Wyoming made a very interesting statement about the cattlemen of his State. Not more than 30 minutes ago I was in my office, talking to one of the most prominent men interested in agriculture in Illinois. He told me that he had just finished selling his last few bushels of soybeans for \$3.85 a bushel; and he said, "Scott, those beans were sold for too much money."

Mr. President, as a result of the hearings which the subcommittee on agriculture held throughout the Middle West on a long-term farm stabilization program, I find that the farmers in Illinois believe that prices are too high, although, of course, they say perhaps the prices of their products are not too high, in view of the prices of some of the things they have to buy, such as combines, rakes, plows, and so forth.

Mr. O'MAHONEY. The prices of those articles have increased 5 percent.

Mr. LUCAS. That is correct. But every farmer is wondering whether the same thing that happened after World War I is going to happen to him today.

Mr. O'MAHONEY. It will happen unless we act.

Mr. LUCAS. Of course it will.

Mr. TAFT. Mr. President, if the Senator from Wyoming will yield to me, let me inquire whether the Senator from Illinois knows why the price of soybeans went up. I can tell him. The price of soybeans went up because for the fourth quarter of this year the Government increased the export quota of fats and oils from the United States to three times what it had been in the first quarter or the second quarter or the third quarter, and the Government authorized an export of fats and oils which was far in excess of anything that we could hope to supply, in view of the domestic demand. Of course, the result was an immediate increase in the price of fats and oils and the price of soybeans, which is one of the most important sources of that supply.

Mr. LUCAS. Mr. President, if the Senator from Wyoming will yield further to me, so that I may answer my distinguished friend the Senator from Ohio—

Mr. O'MAHONEY. I am glad to yield.

Mr. LUCAS. I did not expect that my statement about soybeans would cause the Senator from Ohio to answer, but now that he has said that the Government of the United States is responsible because of its export program, I should like to remind him that we have been in special session some 4 or 5 weeks, and the Republican Party has been in power in the Congress since last January 3. The Republican majority should thoroughly understand their responsibility. The Senator from Ohio has just been telling the Senator from Illinois why the price of soybeans is so high, and yet not one thing has been done by the Republican major-

ity in the Senate, headed by the Senator from Ohio, to curb these so-called exports, if they wish to do that. The time is not too late, even now. The Republicans have the majority and they have the power to pass any kind of law they wish to pass, to curb these administrative evils that they are constantly talking about over the radio and in the press, yet they sit here day after day and do nothing about it. They bring out a four-point program which is just as meaningless, useless, and futile in stopping the march of inflation as pouring a teakettle of water into the Atlantic Ocean would raise the level of that ocean several inches.

Mr. TAFT. Mr. President, will the Senator from Wyoming yield to me?

Mr. O'MAHONEY. I shall yield in just a moment, Mr. President. I do not wish to have this debate rage over my head, for I might be caught in the middle.

Let me say that I hold in my hand a document which was prepared by the staff of the Joint Committee on the Economic Report, of which the distinguished Senator from Ohio [Mr. TAFT] is chairman, and of which I also am a member. On page 18 of the report is to be found table XII, which shows, in regard to fats and oils, that the exports of fats and oils for 1946-47 amounted to 8.9 percent of the total production of fats and oils in the United States in 1946. The total production was measured at 2,625,000 long tons. Exports for 1946-47 were 233,000 tons, or 8.9 percent of the total production, or 1.1 percent less than 10 percent of our total production.

Inasmuch as I am on the point, I think it may be well to call attention to the fact that in this same report appears a very interesting statement, and I invite the Senator from Illinois to take it back to the farmers of Illinois. The statement appears on page 12:

Total production of food for sale and farm home consumption during each of the war years—

That is when we had the OPA, by the way—

exceeded by wide margins that for any pre-war year. The index of total production ranged from 125 in 1942 to 138 in 1944 (1935-39=100) and averaged 134 for the 4 years 1942-45, inclusive.

Then there is this additional statement:

The spectacular increase in the total volume of food production is even more significant in that it was achieved with a decrease in farm employment and practically constant total acreage of croplands. Farm employment in June 1947 is estimated at 11,394,000 persons, as compared with 12,564,000 persons for the June average, 1935-39, a decrease of 9.3 percent.

With a decrease of 9.3 percent in labor, the farmers of America reached the highest pinnacle of production in history.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. Does the Senator have in the information before him a table showing the soybean crops for the last 4 years?

Mr. O'MAHONEY. I have no doubt the figures are here, but I cannot put my finger on them.



Mr. LUCAS. I think the Senator will find that the yield has been increasing tremendously each of the last 4 years.

Mr. O'MAHONEY. There is no doubt about that.

Mr. TAFT. Mr. President, will the Senator from Wyoming yield a moment?

Mr. O'MAHONEY. I yield.

Mr. TAFT. The Senator from Illinois seems to think that we have in some way failed in our duties about exports. We gave the President absolute and complete authority to control exports the way he chose to do it. It is absolutely impossible for Congress to tell him how many bushels of wheat he can authorize exported or how much fats and oils are to be exported. We gave the whole responsibility and the whole power into his hands.

Mr. O'MAHONEY. Oh, Mr. President, the Senator is talking in my time, and I insist at this place in pointing out—

Mr. TAFT. If I may continue—

The PRESIDING OFFICER. Does the Senator from Wyoming yield?

EFFECTIVE EXPORT CONTROL MADE IMPOSSIBLE

Mr. O'MAHONEY. I am going to take the floor now just to point out that the Senator from Ohio has over and over again made the statement to which we have just listened. It is the cry of the policy committee of the majority, I know; and, it is echoed in their radio pronouncements, but the fact of the matter is that when the Department of Commerce a year ago asked for the extension of the power to control exports, Congress deliberately cut it down. When the bill came to the Congress it came with a special section, calling it by name. I have it here in my hand. This is Public Law 188 of the Eightieth Congress, Chapter 248, first session, H. R. 3647:

*Be it enacted, etc., That this act shall be cited as the "Second Decontrol Act of 1947."*

"Decontrol" is what they were talking about, and when Mr. Springer, chairman of the subcommittee of the House, who handled this matter upon the floor of the House, submitted his report on the 27th of June, 3 days before the controls were to expire, and the majority was allowing the time to fly, with only 3 days left, in that report Mr. Springer notified the House of Representatives that it was the purpose of the committee to eliminate controls as rapidly as possible.

The Department of Commerce had asked for an extension of the power to control exports to the 30th of June 1948. The House cut it back to the 31st of January 1948. The Senate Judiciary Committee, acting with a reasonable degree of understanding of what the country was struggling with, reported a bill extending the controls to the 30th of June 1948, as recommended by the Department of Commerce.

The distinguished junior Senator from Kentucky [Mr. COOPER] was in charge of the bill on the floor of the Senate, and here he undertook to say why these controls should be extended for a full year, and the Senate passed the bill as the Department of Commerce wanted it, extending the power to June 30, 1948. But in conference the Senate conferees were

unable to persuade the House conferees, and the final conference report extended the controls only until February 29, 1948. But in the debate in the Senate and in the debate in the House it was seen clearly that the will, the purpose, the overriding intent, of the Congress was to lift controls and let private persons export without Government control. "Lift controls" was what the majority said they were going to do—lift controls. Now they say, "You are not controlling enough." It is like the talk about international relief. They condemn the administration because too much money is being spent in Europe, and they condemn it because not enough is being spent in China. They are on both sides of every question.

When it is clear that their policy of decontrol is a failure, then they say, "Why, you did not do enough with the powers we gave you." They conceal or forget the fact that when the appropriation bill was passed to implement the Decontrol Act, the Eightieth Congress, under the policy of the majority, cut the appropriation to such an extent that there are 50,000 applications for export licenses at this moment in the Department of Commerce which have not been acted on.

Mr. BARKLEY. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. The Senator pointed out a moment ago from the report of the joint committee that 8.9 percent of our domestic production of fats and oils had been exported in 1946 and 1947. Is that a fiscal year figure?

Mr. O'MAHONEY. That was a fiscal year figure, as I understood it.

Mr. BARKLEY. Does the report show what percentage of fats and oils were exported in 1945 and 1946?

Mr. O'MAHONEY. No, this table does not show that; but those figures are all available.

Mr. BARKLEY. I thought perhaps the Senator had them. It might be interesting to know whether the 8.9 percent was larger or smaller than the figures for the year before. If they were smaller, they could not have had the baneful effect upon prices referred to by the Senator from Ohio, because if the amount of exportations had been cut down for any reason, they would certainly not have effected, disadvantageously, an increase in the prices of those products.

MAJORITY SEEKS TO CONCEAL FAILURE TO ACT

Mr. O'MAHONEY. I will say to the Senator from Kentucky that the debate about who is to blame is all beside the issue. Of course it is indulged in by our friends of the majority, because they desire to conceal from the American people the fact that they have failed to act. What difference does it make what happened a year ago if we do not act now?

Mr. BARKLEY. I recognize that, but I am trying to get at the real facts. I am not inquiring about strategy, because I am not interested in strategy, but if the Senator has the figures on his desk, I should like to have the percentage of fats and oils exported in 1945 and 1946.

Mr. O'MAHONEY. I will see that the Senator gets the figures. It may be that the Senator from Ohio [Mr. TAFT], the

chairman of the joint committee, has them in his hand.

Mr. TAFT. Will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. TAFT. I point out that on September 10 it was announced that the export quotas on fats and oils in the United States would be three times what they had been in the first quarter of 1947 or the second quarter of 1947 or the third quarter of 1947. I happened to come across the announcement because of the fact that immediately prior to September 10 Mr. Pauley bought 500,000 pounds of lard on the commodity exchange. The announcement seemed to have a decided bearing on the question. It resulted in an immediate increase.

Mr. BARKLEY. That ought to be enough lard to grease the Republican campaign wheels. [Laughter.]

Mr. TAFT. The point is that the moment the announcement was made it was the cause of an immediate increase in price. I do not think there is any question about that. I say it would be one of the substantial causes of an increase in the price.

Mr. O'MAHONEY. Of course, there are many causes. The inflationary condition in which the country finds itself is the result of many things, but primarily, Mr. President, it is the result of the fact that we fought World War II, and that we borrowed against the future of America. We mortgaged the future of America to the extent of \$259,000,000,000, now outstanding, in order to win the war. Now it is catching up with us, and the question before the people of America is whether we will do as some of our friends urge, and let the economy control itself, or shall we control it by the people's government?

Mr. LUCAS. Mr. President, will the Senator yield in order that I may make one further statement?

Mr. O'MAHONEY. I yield.

Mr. LUCAS. I shall not trespass upon the time of the Senator further.

Mr. O'MAHONEY. The Senator honors me by his interruptions.

Mr. LUCAS. I understand the Senator is trying to complete his remarks, and many Senators are preventing him from doing so.

In further reply to what the Senator from Ohio said, and to the point he is trying to make, I wish to repeat and reiterate that, if the conditions with respect to exports are as serious as the Senator from Ohio tells the Senate this afternoon, and has been telling the country, over the radio and through the press, he has the power, as the leader of the Republican majority—and practically all on the majority side follow him—to do something in the way of having legislation adopted for more drastic action on export controls, if the exports are the cause of the high cost of soybeans. The point I make is that Republican leadership does nothing but talk. Talk is cheap, and sometimes entertaining but it is not getting any place with respect to stopping inflation.

Mr. O'MAHONEY. Mr. President, by the unanimous action of this body today the conference report on the European interim aid bill was adopted. Everybody



who voted for that knew that it would constitute a drain upon the resources of the United States to the extent that appropriations are allowed. But everybody voted for it just the same, out of an abiding conviction that it is the obligation and the duty and the opportunity of the people of America to save a democratic system of government in Europe from chaos and communism. That is why we acted.

The war will not be over until the peace has been won upon the basis of freedom. We are still fighting for freedom. Why, of course the exports have an effect upon price, but the exports, the table from which I quoted shows, represent only a fraction of the food that the people of America have produced.

The PRESIDING OFFICER. If the Senator will suspend for a moment, the Senator inadvertently stated that the interim aid bill passed the Senate by a unanimous vote. Doubtless the Senator was not present when the senior Senator from North Dakota announced that he voted against it.

Mr. O'MAHONEY. I thank the Chair. I overlooked that fact. I modify my statement in that respect.

The total amount of food which was exported in the period 1946-47, 18,163,000 tons, produced domestically in the United States, represents 8.6 percent of the total production in 1946 of all foods in the United States, and about 7 percent of the production of all foods in 1947, so that even with the huge contributions which we have been making we have not injured our own economy. The people of America are eating more today by 20 percent than they did before the war; but the sad fact is that if prices continue to rise, it will be difficult for them to eat

as much as they did. Already, in the lower income groups people are digging into their savings. Every subcommittee of the Joint Committee on the Economic Report which investigated the cost of living, during the recess of Congress, from coast to coast, found that to be the fact and so reported. There was no partisan division. We know that the people at the bottom of the economic scale are suffering now because of spiraling prices. I have in my hand a table, which I shall ask be printed in the RECORD at the conclusion of my remarks, which undertakes to make a comparison of corporation profits for 9 months, 1946-47, compared with 1940, 1945, and 1946, in manufacturing, trade, and selected industries and companies, both before and after taxes, showing percentage changes in return on net worth. It is as accurate as I and those who have assisted in the preparation of the table could make it. We have taken the most authoritative sources which we could find.

The PRESIDING OFFICER. Without objection, the table will be printed as requested.

(See exhibit A.)

#### HOW CORPORATE PROFITS HAVE RISEN

Mr. O'MAHONEY. Mr. President, I wish to conclude by reading one or two of the figures. The profits of corporations manufacturing food and kindred products in 1946 were 213 percent above 1940. The Borden Co., for example, had profits amounting to 273 percent for the first 9 months of 1946, above the same period in 1940. Corporations manufacturing textile-mill products showed an increase in profits of 564 percent; leather and leather products, 285 percent; lumber and timber basic products, 197 percent; paper and allied products, 211 per-

cent; petroleum and coal products, 135 percent; iron and steel and their products, 92 percent; nonferrous metals and their products, 62 percent.

In connection with food, Senators should bear in mind that there has been a development of great food chains which distribute food products throughout the United States. Local communities are practically defenseless. What has been happening to the profits of the chains? American Stores Co. showed profits in 1946 above 1940 of 990 percent; Colonial Stores, 200 percent; Kroger Co., 200 percent.

Ah, Mr. President, what has happened in the United States is that commerce among the States has become so powerful that local commerce and State commerce are both defenseless. It is the big fellows who sit in New York and in Chicago who set the pattern of food prices, the corporations which operate in the very field of commerce which was committed by the Constitution to the Congress to regulate. We are not regulating it. It is proposed, on the contrary, that we commit it to the solicitous care and voluntary action of the very groups which have been raising prices and raising profits and distributing dividends ever since the war ended.

Mr. President, Congress, I think, will act, because the Members of Congress are realizing now that the issue is here between control of our economy by the masters of concentrated economic power, and control of that economy by the people's representatives. Let Senators set the standards, Mr. President, and define the responsibilities, but give the Government the power to act; for if Senators do not do that, inflation will overwhelm their constituents.

EXHIBIT A.—Corporation profits, 9 months 1946 and 1947, compared with 1940, 1945, 1946, in manufacturing, trade, and selected industries and companies (before and after taxes, percentage changes, and return on net worth) and wholesale price increases, June 1946 to September 1947, for industrial goods, and selected commodity groups and items

Industry and company	Profits before taxes (millions of dollars)								Profits after taxes (millions of dollars)							
	1940	1945	1946	9 months		Percentage change			1940	1945	1946	9 months		Percentage change		
				1946	1947	1940-46	1945-46	1946-47				1946	1947	1940-46	1945-46	1946-47
All manufacturing.....	5,601	10,644	10,858			94	2		3,840	\$4,553	6,338	1,012.1	1,863.4	65	39	84
Food and kindred products.....	559	1,467	1,748			213	19		408	567	1,026	86.9	118.4	150	82	36
Borden Co.....	9.0	39.0	33.6			273	-14		7.6	12.1	19.6	18.9	110.0	160	62	60
Corn Products Refining.....	11.9	13.7	23.3		116.5	96	71		9.6	8.6	13.6		19.0	42	58	
National Biscuit.....	15.7	27.0	27.4		120.7	74	1.5		10.7	10.5	15.7		12.4	47	50	
Armour & Co.....	11.8	18.1	45.0			281	149		8.8	9.3	21.0			140	130	
Textile-mill products.....	216	774	1,434			564	85		151	277	844	74.1	91.4	460	205	23
Burlington Mills.....	2.8	13.7	23.0			721	68		1.7	5.0	12.9	8.6	18.2	659	158	112
Pacific Mills.....	-0.3	9.2	16.7	9.0	11.2		82	24	-0.3	2.0	9.5	4.6	5.6		375	22
Leather and leather products.....	40	144	154			285	7		29	61	91			214	49	
Amalgamated Leather Cos.....		0.59	1.24				110			0.24	.82				240	
Graton & Knight.....		.17	.87				410			2.23	.49				110	
Griess-Pfleger.....		.29	.75				160			.17	.45				170	
Seton Leather.....		.17	.52				210			.10	.33				220	
Lumber and timber basic products.....	95	138	284			197	106		73	70	182			150	160	
Harbor Plywood.....	0.6	0.3	1.5	10.6	1.1	150	400	83	0.4	0.2	0.9	10.4	10.7	125	350	75
Long-Bell Lumber.....	1.3	4.1	7.8	5.7	14.6	500	90	156	1.0	1.7	5.0	3.5	9.0	400	194	157
Mengel Co.....	.5	2.9	2.7	1.6	2.6	440	-7	63	.4	.9	1.6	1.0	1.5	300	78	50
Paper and allied products.....	197	357	612			211	71		137	142	360	28.2	66.2	163	154	135
Container Corp.....	3.4	8.7	12.5	7.9	13.1	268	44	66	2.2	2.0	7.2	4.8	8.0	127	260	67
International Paper.....	21.6	25.5	48.7	120.4	141.6	126	91	104	15.7	8.5	31.2	13.4	23.3	99	267	74
Union Bag & Paper.....	3.7	6.2	8.7	6.0	14.4	135	40	140	2.1	1.6	5.3	3.6	8.8	152	231	144
West Virginia Pulp & Paper.....	4.4	5.4	9.0	6.5	13.2	105	67	103	3.7	2.1	5.1	3.7	7.9	38	143	114
Petroleum and coal, products of.....	321	587	753			135	27		265	484	550	191.2	310.5	108	14	62
Phillips Petroleum.....	14.5	27.7	28.9	19.9	35.5	99	4	78	11.6	22.6	22.6	14.8	28.2	95	0	91
Shell Union Oil.....	19.5	32.4	42.1	30.9	51.3	116	30	66	15.7	28.7	32.9	24.0	38.7	110	15	61
Standard Oil (California).....	24.0	61.9	79.5	58.2	82.2	231	28	41	22.5	55.6	67.0	49.0	66.5	198	21	36
Tidewater Associated Oil.....	10.1	19.4	26.3	16.5	26.8	160	35	62	9.5	18.1	19.8	12.8	18.1	108	9	41
Iron and steel and their products.....	647	1,204	1,240			92	3		439	533	738	156.4	283.7	68	39	81
American Rolling Mill.....	10.1	23.8	30.3			200	27		7.6	13.4	18.6	12.5	18.2	145	39	46
Bethlehem Steel.....	72.6	47.1	57.2	40.5	66.0	-21	21	63	48.7	34.9	41.7	30.0	38.7	-14	20	29
Jones & Laughlin.....		4.7	15.4	8.6	26.5	230	210		10.3	8.1	10.9	6.1	16.7	6	35	174
United States Steel.....	130.4	88.3	121.3	69.2	164.7	-7	37	138	102.2	58.0	88.6	57.5	97.3	-13	53	69

Footnotes at end of table.



**EXHIBIT A.—Corporation profits, 9 months 1946 and 1947, compared with 1940, 1945, 1946, in manufacturing, trade, and selected industries and companies (before and after taxes, percentage changes, and return on net worth) and wholesale price increases, June 1946 to September 1947, for industrial goods, and selected commodity groups and items—Continued**

Industry and company	Profits before taxes (millions of dollars)								Profits after taxes (millions of dollars)							
	1940	1945	1946	9 months		Percentage change			1940	1945	1946	9 months		Percentage change		
				1946	1947	1940-46	1945-46	1946-47				1946	1947	1940-46	1945-46	1946-47
Nonferrous metals and their products.....	226	237	366			62	12		148	129	227			53	76	
Anaconda Copper.....	49.5	37.2	43.2	17.4	145.7	-13	16	518	35.1	20.4	23.8	12.6	125.4	-32	17	877
Kennecott Copper.....	62.8	43.8	34.2	16.6	170.0	-46	-32	961	43.8	30.3	23.0	14.5	146.1	-48	-24	924
Wholesale and retail trade.....	1,116	3,527	4,622			312	31		785	1,402	2,727	54.4	38.2	247	95	-30
Food distributing:																
American Stores.....	1.3	6.5	14.1	14.6	15.0	990	120	9	1.0	2.0	8.3	12.0	13.0	730	320	50
Colonial Stores.....	1.0	2.0	3.0	1.9	12.2	200	50	16	.6	.7	1.5	1.2	1.3	150	130	8
Kroger Co.....	5.7	15.6	17.4			200	11		4.6	5.6	9.4	14.2	16.7	105	66	35
National Tea.....		2.0	4.8		12.4		110		.9	2.9	.7		1.5	-20	221	

Industry and company	Return on net worth, 1946		Wholesale price increases, June 1946-Sept. 1947				
	Before taxes	After taxes	Commodity groups		Selected items		
			Group	Increase	Item	Price	
							Increase
All manufacturing.....	Percent	Percent	Industrial goods.....	Percent			
		12.1	Finished products.....	41			
Food and kindred products.....		15.7					
Borden Co.....	28.0	16.3	All foods.....	59	Breakfast foods, case.....	\$1.22-\$2.53.....	58
Corn Products Refining.....	21.8	12.8	Cereal products.....	56	Smoked ham, pound.....	26.5-66.4 cents.....	154
National Biscuit.....	25.3	14.5	Meats.....	122	Fresh beef carcasses, pound.....	20.3-48.2 cents.....	138
Armour & Co.....	23.4	10.9					
Textile-mill products.....		25.4	All textile products.....	30	Burlap, yard.....	11.8-21.9 cents.....	96
Burlington Mills.....	33.8	19.0	Cotton goods.....	45	Bleached muslin, yard.....	18.6-29.3 cents.....	58
Pacific Mills.....	38.5	21.9					
Leather and leather products.....			Hides and leather products.....	51			
Amalgamated Leather Cos.....	34.4	19.2	Hides and skins.....	82	Calf skins, pound.....	\$0.218-\$0.625.....	188
Graton & Knight.....	22.4	12.6	Leather.....	78	Chrome calf, square foot.....	\$0.519-\$1.19.....	130
Griess-Pfleger.....	51.7	31.3	Shoes.....	35	Men's oxfords, pair.....	\$2.82-\$4.70.....	67
Seton Leather.....	43.7	27.4					
Lumber and timber basic products.....			Lumber.....	62	Douglas fir 2 by 4, thousand board feet.....	\$41.53-\$67.82.....	63
Harbor Plywood.....	31.1	20.5					
Long-Bell Lumber.....	22.0	11.3					
Mengel Co.....	23.9	14.2					
Paper and allied products.....		14.4					
Container Corp.....	32.3	18.6	Paper and pulp.....	38	Paperboard, lined, thousand square feet.....	\$2.09-\$3.42.....	64
International Paper.....	23.6	15.1			Sulfite pulp, ton.....	\$82-\$116.....	42
Union Bag & Paper.....	40.8	24.9					
West Virginia Pulp & Paper.....	14.2	8.0					
Petroleum and coal, products of.....		10.7	Petroleum and products.....	46	Fuel oil, No. 2, gallon.....	4.1-6.6 cents.....	61
Phillips Petroleum.....	11.4	7.8					
Shell Union Oil.....	14.9	11.7					
Standard Oil (California).....	11.6	9.8					
Tidewater Associated Oil.....	13.5	10.1					
Iron and steel and their products.....		7.5	Iron and steel products.....	28	Sheet steel (bar), gr. ton.....	\$38-\$66.....	71
American Rolling Mill.....	21.4	13.1			Steel barrels, each.....	\$2.98-\$4.15.....	39
Bethlehem Steel.....	9.6	7.0			Structural steel shapes, 100 pounds.....	\$2.35-\$2.80.....	19
Jones & Laughlin.....	7.3	5.2					
United States Steel.....	7.6	5.5					
Nonferrous metals and their products.....			Nonferrous metals.....	43	Pig lead, pound.....	8.2-15 cents.....	82
Anaconda Copper.....	7.6	4.2			Electrolytic copper, pound.....	14.4-21.5 cents.....	50
Kennecott Copper.....	8.3	5.4					
Wholesale and retail trade.....							
Food distributing:							
American Stores.....	39.6	23.3					
Colonial Stores.....	34.5	17.6					
Kroger Co.....	30.2	16.2					
National Tea.....	29.0	17.8					

<sup>1</sup> 6-month total.

<sup>2</sup> Exceeds profits before taxes by amount of net tax refund.

<sup>3</sup> Annual rate, 9-month base.

Sources: Annual industry data, Department of Commerce; 9-month industry data, 1946 and 1947, National City Bank (limited number of companies); company data, Moody's; prices, Bureau of Labor Statistics.

Mr. O'MAHONEY subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks during the day a copy of a radio address which I delivered last September on American production.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICAN PRODUCTION CAN WIN THE PEACE  
(Radio broadcast of Senator JOSEPH C. O'MAHONEY, of Wyoming, over the American Broadcasting System, September 18, 1947)

Production won the war, production here in the United States. It will win the peace, and without it there can be no peace with freedom.

This objective cannot be attained, however, unless we organize to achieve it. We organized to produce for war. Certainly we should

not hesitate to organize to produce for peace.

When we organized for war we unhesitatingly gave to the President, by the unanimous action of Congress, power and money without stint or standard. The laws which were passed by Congress to win the war were a complete surrender to central authority of power to mobilize and direct all of our resources of manpower and materials.

In the crisis of conflict there was no hesitation, there was no dissent. Before we ac-



tually became involved in the war, the authorized national debt limit was \$65,000,000,000. It was successively raised, until finally it reached \$300,000,000,000. No vote was cast in Congress against that increase because no American in or out of the Government was willing to hold anything back to win military victory.

Now we want peace. The world wants peace. And Destiny has placed upon our shoulders the responsibility of winning that peace. It cannot be won without us. It cannot be won by force, for force means only another war, and another war means chaos. Peace can be won only by increased production, but since we fought the war to make certain that dictatorial power over the lives of people should be broken, the organization for peace must be one that will maintain freedom and avoid arbitrary central power. The organization that is needed to produce for peace must be different from the type of organization under which we produced for war.

Organization for peace must be such as will not surrender to central government the authority to tell us what we must do. Neither must it be such as will surrender to any central private authority any similar power. Rather, must it be an organization to release the initiative, the resourcefulness, and the production energy of all the people of America in their local communities and in their States. That is a condition which does not exist now, because the decisions which determine how much production we may have, and what sort, are being made not by the people in their home communities in the States and cities where the needs exist, but in the central offices of organized business. These decisions are not based upon the needs of the people, but upon the private purposes of the organizations which control American production.

All this was recently made clear when the steel industry of the United States decided to increase prices rather than to increase production. That decision may have been a perfectly sound and reasonable one from the point of view of the managers of the few units which control the steel productive capacity of the country. But it was not a sound decision from the point of view of the people in the appalling crisis of civilization now threatening to sweep away all individual liberty and establish an era of arbitrary totalitarian power throughout the world.

When the managers of the steel industry decided not to expand steel production, but rather to increase the prices of what they do produce, they placed a restriction upon the economic expansion of America. This restriction will be felt in every community throughout the land. It will be felt by almost every industry. It will be felt by people everywhere, and it will prevent the United States from achieving the new record production so necessary to win the peace.

To stop Hitler, we had to destroy the productive capacity of Europe, for we were engaged in total war. To stop Stalin, we must help Europe to rebuild, so that the productive capacity we destroyed may be restored and the people enabled to support themselves again by their own efforts.

To do that we must begin here in the United States to expand production in every possible way. We must show the people of Europe by our own example how, with modern science and technology, natural resources can be utilized to raise the standard of living to higher and higher levels. This cannot be accomplished by the restrictivist policies of the steel industry.

That these policies are restrictivist is capable of proof. The automobile industry, according to the testimony of Paul G. Hoffman, head of Studebaker Corp., before the Joint Committee on the Economic Report, did not manufacture 19,000,000 motor cars during the war. It was otherwise engaged. Thereby was built up a tremendous backlog of de-

mand. This year the automobile industry, which as long ago as 1929 sold 4,000,000 cars, was planning to build 3,600,000 units. Everybody knows that many more cars could be sold this year if they were available, but they are not available because the automobile industry cannot get the steel with which to manufacture them.

The Automobile Manufacturers' Association, in its current booklet "Automobile Facts and Figures" tells us that one out of every seven persons employed in the United States is working, one way or another, in the highway transport industries, and that 27½ percent of all the persons employed in the automotive industry are veterans.

This booklet tells us that 4,710,000 school children in all the States of the Union are served daily by automotive busses, that 31 percent of all trucks and 16 percent of all cars are on the farms of the Nation, and that in 1946 farm demand for trucks was 42 percent greater than it was in 1940. Farms are producing more food than ever before. More trucks and cars will help to maintain and increase that production.

That is not all. One out of every six business concerns in the whole United States is engaged in one way or another in the automotive business. The total number is 537,470, according to the Automobile Manufacturers Association. These concerns are located in every community, in every county, in every State. They do the business which explains why the automobile industry uses more steel, more rubber, more glass, more nickel, more lead than any other industry. It is clear, therefore, that this industry is the very heart of American business, and that all America suffers when it is restrained.

The demand for steel, however, does not stop with the automobile. The livestock industry in many Western States is in dire need of steel pipe and casing to provide water for the meat animals which must feed America. Lack of steel will inevitably reduce the production of meat when we need it most.

We are using more petroleum and petroleum products now than was used even during the war, but the search for new sources of oil and the transportation of oil we have are both hampered by lack of steel.

The railroads need steel to build more freight cars to carry the tremendous output of American industry.

The American merchant marine has 91 fewer passenger ships than it had before the war, when 121 such vessels were flying the American flag. So we need more steel to build more ships.

We need more housing, we need more highways, and we need more steel for all these purposes.

But the industry says the demand is excessive and temporary, and tells us we should be satisfied with the standards of 1929 instead of looking forward to the steel consumption a fully employed America will need in 1959. This defeatist doctrine by which America is being shackled was proved to be unsound in the September 1947 issue of *Steelways*, published by the same American Iron and Steel Institute, the leaders of which are selling America short. This issue, just off the press, paints the picture of the constantly expanding demand for steel. "Five years ago," it tells us, "stainless steel was a virtually unknown material in American wineries. Today 75 percent of all new equipment going into American wineries is stainless steel, and the leaders of the industry predict that all winery equipment will shortly be stainless steel with the exception of the grapes themselves."

Another article tells how penicillin is being made possible by the miracle of steel. Another tells of the expanding demand for steel to build refrigerator cars so that fresh oysters and other fresh food may be delivered throughout the United States. Another describes enthusiastically the neat, clean

lines of a finished steel house. Another tells the amazing story of the steel-clad wind machine now just coming into use by lemon growers to drive the frost away from their orchards. Finally, the principal article, *A Banker Looks at Steel*, written by P. J. Hebart of the Continental Bank & Trust Co. of New York, tells us that through steel and iron have long been the foundation of our material progress and civilization, we can go far beyond that in assigning to steel the basic role in an economy based on productivity.

Into this picture of an expanding economy based on a demand as yet unmeasured, the fiscal managers of steel say we must put the clamps on production and turn backward toward the past. The explanation is that they fear a depression, and therefore they are increasing prices instead of production.

This story illustrates precisely what is wrong with our economy. We have not yet become accustomed to the revolutionary advances of modern technology which have made the people of America the industrial leaders of the world. We have not organized to make our tremendous industrial machine do the work of which it is capable.

Meanwhile, defeatists in business and in Congress seem on the verge of surrender. Some Members of the Senate seem even to be saying that we must have some unemployment if we are to stop rising prices, and that some people who now for the first time are getting enough to eat must be content to go back on a depression or a near-depression diet. I refuse to believe that we must have a second-class citizen in America. I know that the purchasing power of a fully employed people will make this country an even greater market than it has been, and that there is profit and prosperity for all if only we have the wit and the will to prepare for it by organization.

To produce for peace we must formulate a rule of economic order which will deny to both Government and to concentrated economic power authority to restrict the economic lives of the people; a rule which will encourage local and individual development; a rule which will restore economic freedom to the people; a rule which will encourage the preservation of the system of private property, and yet preserve the benefits derived from the great collective enterprises we call Big Business.

To do this, we must—

1. Reform the tax system so as to provide incentive for the investment of private capital in new and competitive enterprise, and for the expansion of productive facilities.

2. Maintain the antitrust laws so that monopoly shall not be able to restrain the new business established by tax reform.

3. Recognize that modern business requires organizations, industrial and commercial corporations, trade associations, agricultural associations, labor unions, and all the rest, and then provide a system of national charters for all such organizations establishing their powers, their duties, and their responsibilities, thus freeing them from discretionary regimentation by Government, and enabling them to cooperate to expand production.

I spoke of stimulating the investment of private capital. When we entered the war, the Government advanced huge sums to expand our industrial productive facilities because private capital was unwilling to take the risk. It is just as important now as it was then that the Government should, by a positive program, encourage the construction of plant facilities to produce for peace. I have, therefore, recommended that the Congress undertake immediately to encourage such expansion by authorizing an accelerated rate of depreciation on all new facilities. This concession should be granted to big business as well as to little business, but in consideration national business should be



willing to cooperate in the establishment of a pricing plan designed to prevent inflation and the exploitation of consumers.

One thing should be clear now to leaders in Government and in business. It is this: That the Soviet dictators are confident that capitalism is too greedy to save itself, that it is headed straight for another depression, and that when the depression comes communism will take over. This explains Russian policy. The Communists are counting on chaos, but we have it within our own hands to disappoint them. The consuming power of a fully employed America is so great that it will sustain a productive machine far greater than that which we now have, and by constructing such a machine we here in the United States can demonstrate to the peoples of Europe that permanent peace and a rising standard of living is possible of achievement by all peoples.

#### RETIREMENT OF FLEET ADMIRAL CHESTER W. NIMITZ

Mr. GURNEY. Mr. President, I wish to call the attention of the Senate to the departure today from Washington of a man whose great and courageous contribution to current history has had a significant impact upon the world. Today marks the termination of the duty of Fleet Admiral Chester W. Nimitz as Chief of Naval Operations. With his departure from Washington I feel certain that the Senate will agree that an era in the history of the United States Navy has ended.

It is unnecessary to recall more than briefly that in the darkest days of the war 6 years ago this month, he hoisted his flag aboard the submarine *Grayling* in Pearl Harbor, littered with the wreckage of the United States fleet, and there took upon his shoulders the responsibility of forcing his way island by island to Tokyo Bay; and it was in Tokyo Bay that there was consummated the great task to which the Nation had assigned him when he, among others, signed, aboard his flagship, the *Missouri*, the instrument of surrender by which he, as one of his Nation's top representatives accepted the capitulation of the Japanese Empire.

It has often been said that in times of greatest emergency great leaders appear. I think no one will dispute the fact that the leaders who appeared in the dark days of World War II are certain to be so classified. Certainly no one can dispute the place which the name of Chester W. Nimitz will hold, not only in any future naval hall of fame, but in the glorious history of the United States of America.

We all remember that after the Pearl Harbor disaster Admiral Nimitz took command of the Pacific Fleet, and despite tragic shortages of vessels, planes, and supplies, halted the Japanese advance. And then slowly, bitterly, and tenaciously he undertook an offensive which culminated in the decisive defeat of the greatest enemy fleet ever encountered by any nation in the history of naval warfare.

To him, as commander in chief of our fleet, in a great measure goes credit for the successful coordination of the multitude of tasks, many of them of fantastic complexity, which rested finally upon him in accomplishing the most effective utilization of all the forces under his command.

Mr. President, Admiral Nimitz, always true to his code as a naval officer, considers that he did only his duty. Leaving Washington, it is entirely fitting that he should make his home in California overlooking the blue Pacific. We can rest assured that so long as he lives he will there stand, his eyes looking westward, ever watchful of the safety of the country which already owes him so great a debt of gratitude.

Mr. CONNALLY. Mr. President, as a citizen of the State of Texas, I express my grateful thanks for the remarks the Senator from South Dakota has just made respecting Admiral Nimitz. Admiral Nimitz is a native of Texas, and we of that State are inordinately proud of his great achievements. I believe his name will rank along with those of the great naval heroes of the past, John Paul Jones, Admiral Nelson, and other shining names. As he goes into retirement our best wishes go with him for a period of rest, and of useful public service as a citizen, no doubt as a constant adviser of the Navy and the armed services. His achievements entitle him to high rank among the heroes of the Republic. His superb services to his native land and his lofty patriotism will always be remembered.

I join in the eloquent and fitting remarks made by the Senator from South Dakota.

#### EXPORT PROGRAM UNDER THE INTERIM AID AND OTHER FOREIGN RELIEF MEASURES

Mr. BUTLER. Mr. President, I want to take just a moment to call the attention of the Senate to the importance of keeping as large a proportion as possible of our export trade in the hands of private export firms and other private business enterprises.

This is a subject to which I believe we have given too little attention during recent months. The Foreign Aid Act of 1947 which we have just been considering, for example, gives no clearcut instructions as to whether the relief supplies to be furnished under its terms shall be procured by the Federal Government or shall be handled by private exporters. The same may be said of many of the other bills we have passed dealing with foreign assistance. In fact, in some of the other measures we have specifically provided for or permitted Government procurement rather than procurement through private channels.

Generally speaking, I believe this has been a mistake. It is an article of faith with most of us that private enterprise can handle operations of a business type more efficiently and at less expense than can a Government agency. Our various measures of foreign assistance have, it is true, boomed our export trade, but they have not had a correspondingly beneficial effect in strengthening the machinery for export by private firms. In many cases, it seems that our methods of administration for handling these exports have been deliberately designed to weaken the firms on whom we must depend to carry on our export trade of the future.

It is important to realize that our exports may come to play a much larger part in our national economic life, even

after the reconstruction of Europe is completed, than they have in the past. The events of the last few years have made us much more dependent on a flourishing export market than we were before the war. If we expect to maintain a sizable volume of exports in the years to come, we shall need skilled men and experienced firms to carry on that trade.

It is equally important that this trade should be handled by those firms best qualified to give service to their foreign customers on a competitive basis. It is my opinion that in the past the administration of our export licensing system has tended to play into the hands of the larger firms rather than giving smaller businessmen a chance to share in the business. Certainly that is true in the case of flour exports, to which I have given particular attention. I believe we should take care of that question in the legislation we enact dealing with export controls.

In that connection, I would like to insert at this point in the RECORD a letter I have addressed to the Senator from Kentucky [Mr. COOPER] who has been holding hearings on the subject. The letter urges that the smaller firms be given an equal competitive chance with the larger ones, and I believe it is self-explanatory.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 13, 1947.

HON. JOHN SHERMAN COOPER,  
United States Senate.

MY DEAR SENATOR: You may recall that last summer when the question of the extension of export controls was up for consideration, I had several discussions with you on certain aspects of the legislation authorizing these controls, particularly with respect to the exports of wheat and flour. During the last few days, you have again had this question up for consideration in your committee. For that reason, I would like to bring my present views to your attention. In this letter I shall confine myself to the subject of export controls on flour.

Let me review briefly the present procedure in administering these controls. At present, after quotas have been set limiting the total amount of flour which may be exported, and dividing that total among the foreign countries to which it may be sent, the administering agency is faced with the problem of dividing up among exporters who desire to participate in the trade, the total quantity of permitted trade in flour. Always there are applications for authority to export more flour than would be permitted by the country quotas. The quantity permitted to be exported to each country is limited by means of licenses to the various exporters, and these licenses are issued on a so-called historical basis. That is, each exporter, with certain exceptions, is authorized to ship a quantity of flour in proportion to the quantity shipped by him during a previous representative period.

The effect of this system is to freeze almost completely the flour business in the hands of the old, established firms, and to prevent newcomers from coming into the trade to any substantial extent. Such a system of freezing on the basis of the status quo is, I believe, in fundamental conflict of our faith in the virtues of free competitive enterprise. Furthermore, it has the effect of granting a windfall to certain established firms, since the export trade of a licensed commodity is admittedly more profitable than the domestic trade. Finally, under the present procedure, the granting of these li-



censes is not made public, and there is no chance to secure official information as to the particular firms which have been granted the licenses, or the quantities for which such licenses have been granted.

It is bad enough that the Federal Government should be in the position of granting windfall profits to particular firms. To my mind, it amounts to a scandal when these grants are surrounded by secrecy. It is about the same as if a Government contract were awarded to a favored bidder without any public notice of the basis for the award. I understand that the justification given is that these firms have a right to keep secret the details of their business operations. But such an argument can hardly be accepted in this type of case. Business firms receiving grants of windfall proceeds from the Federal Government, even though such grants may be legitimate and justified, have no right to expect to have such grants concealed.

I am, therefore, writing to suggest that two major changes be made in the granting of these export licenses. First, I suggest that the historical basis be discarded entirely, and that licenses be issued either to the low bidder, as suggested by Mr. Harriman, or else that they be divided on the basis of confirmed sales negotiated. Second, I suggest that all licenses granted be publicly announced and published in the Federal Register.

I hope you will find it possible to give serious consideration to these suggestions. I recall that when the subject was under consideration last summer, you also were highly critical of the present method, and that you suggested a thorough review of the whole procedure. I believe it is time for us to make such changes in the law as are necessary, and that the suggestions I have made will do a great deal toward putting the whole business on a much more fair and equitable basis.

Very sincerely yours,

HUGH BUTLER.

Mr. BUTLER. Mr. President, in my judgment it is unfortunate that we have not really taken the time we should have to study this problem. I hope that at a later date it will be possible for the Senate to go into the whole question much more thoroughly.

#### AUTHORIZATION FOR SIGNING OF BILL

Mr. WHITE. Mr. President, I ask unanimous consent that during the recess of the Senate the President pro tempore of the Senate be authorized to sign the so-called interim-aid bill, if received.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 1770) to amend the National Housing Act, as amended, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1774) to promote the general welfare, national interest, and foreign policy of the United States by providing supplies to certain European countries on an emergency basis.

The message further announced that the House had agreed to the report of the committee of conference on the dis-

agreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4469) to amend the act of July 7, 1947, so as to authorize the Commission on Organization of the Executive Branch of the Government to procure the temporary or intermittent services of experts or consultants or organizations thereof.

#### AMENDMENT OF NATIONAL HOUSING ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1770) to amend the National Housing Act, as amended, which was in line 5, to strike out "\$4,700,000,000" and insert "\$4,450,000,000."

Mr. TAFT. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. TOBEY, Mr. BUCK, Mr. CAPEHART, Mr. MAYBANK, and Mr. TAYLOR conferees on the part of the Senate.

#### EXECUTIVE SESSION

Mr. WHITE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. DONNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORT OF A COMMITTEE

Mr. REVERCOMB, from the Committee on Public Works, reported favorably the nomination of Col. Joseph S. Gorlinski, Corps of Engineers, to serve as member and secretary of the California Debris Commission.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### DEPARTMENT OF LABOR

The legislative clerk read the nomination of David A. Morse to be Under Secretary of Labor.

Mr. WHITE. Mr. President, I ask that the nomination be passed over.

Mr. BARKLEY. Mr. President, May I inquire why this nomination cannot be acted upon? It is an important nomination. We have quite a large Executive Calendar, upon which action should be taken.

Mr. WHITE. Mr. President, I am in complete agreement with the Senator from Kentucky in his statement that we have an Executive Calendar of substantial size and importance. I feel that Members who have well-founded objections to any nomination should be present to make their position known. As a matter of fact, however, I have been

asked to request that several of these nominations be passed over.

Mr. BARKLEY. Mr. President, I understand that the Senator from Maine feels a disposition to respect the requests of absent Senators who leave word that they want him to have a nomination go over, and then leave the Chamber. It seems to me that at this stage of the session, when we are told that we are to adjourn on Friday or Saturday, with important nominations on the calendar, including that of a former Member of the United States Senate who was appointed to the National Labor Relations Board last year, and whose nomination was not acted upon, but has been reported to the Senate and has been on the calendar for several days, as well as the nomination of a Postmaster General of the United States, a member of the Cabinet of the President, which nomination has been on the calendar for several days, we should be prepared to take action. We all know that without a special resolution providing otherwise, these nominations lapse at the end of this session. They will not hold over until the January session.

It seems to me that in view of the consideration which has been given to these nominations in committees—some of them were pending in committee for weeks, and even months—we ought not, in a lackadaisical way, to postpone action upon Executive appointments because some absent Senator has left word that he wishes to object.

I can understand the compulsion on the Senator from Maine in that connection. However, let me say that if Senators are going to object to nominations, they ought to be present to make their objections known and the reasons therefor. Following today's session of the Senate I shall insist, if this and other nominations go over on the request of absent Senators, that we take them up and at least give the Senate an opportunity to vote on them.

Mr. WHITE. Mr. President, whatever I may do or say I am in complete sympathy with any action which the Senator from Kentucky may take with respect to these nominations after today.

Mr. BARKLEY. I thank the Senator. The Senator is always courteous and considerate. However, we are reaching the end of the session. Some of these nominations are important. Some of them, such as those in the Public Health Service, are more or less routine. I do not suppose that there will be objection to any of them. But certainly there should be no further delay in the confirmation of the nominations of members of the National Labor Relations Board and the General Counsel of the National Labor Relations Board, the nominations of Postmaster General, Second Assistant Postmaster General, and other important nominations.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. TAFT. As chairman of the Committee on Labor and Public Welfare, I should like to see the nominations all confirmed today. The Senator from Utah [Mr. WATKINS] wishes to speak on



formation, facilities, and personnel of all agencies in the executive branch of the Government, and may obtain the advice of independent experts, regardless of nationality, and the information, advice, and recommendation of representatives of business, industry, finance, and labor in the United States.

(d) The committee, or any subcommittee thereof, is authorized to hold such hearings; to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress; to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer oaths; to take such testimony; to have such printing and binding done; and to make such expenditures as it deems advisable. The cost of stenographic services in reporting such hearings shall not be in excess of 25 cents per 100 words. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any person designated by them.

(e) The members of the committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the committee, other than expenses in connection with meetings of the committee held in the District of Columbia during such times as the Congress is in session.

(f) The expenses of the joint committee, which shall not exceed \$50,000, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers signed by the chairman.

#### AMENDMENT OF RULE RELATING TO COMMITTEE SERVICE—AMENDMENT

Mr. LODGE (for himself and Mr. BALDWIN) submitted an amendment in the nature of a substitute intended to be proposed by them, jointly, to the resolution (S. Res. 149) prohibiting chairmen of certain committees from serving as members of other committees, which was referred to the Committee on Rules and Administration, and ordered to be printed.

#### SECOND DECONTROL ACT OF 1947—REFERENCE OF A BILL

Mr. WHITE. Mr. President, at the last session of the Senate, December 12, 1947, there was a discussion with reference to the bill (S. 1842) to amend the Second Decontrol Act of 1947. After somewhat prolonged debate it was agreed that the Committee on the Judiciary should be discharged from further consideration of that bill. I now ask unanimous consent that the bill be referred to the Committee on Banking and Currency.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### PRINTING OF ECONOMIC REPORT ON FOOD PRICES, PRODUCTION, AND CONSUMPTION

Mr. TAFT. Mr. President, I ask unanimous consent to have printed as a Senate document a report prepared by the staff of the Joint Committee on the Economic Report on Food Prices, Production, and Consumption, with such additions, to bring it up to date, as the staff is now preparing.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### MAJORITY MEMBERS OF COMMITTEE ON AGRICULTURE AND FORESTRY

On motion of Mr. ROBERTSON of Wyoming, and by unanimous consent, it was

*Ordered*, that the majority members of the Committee on Agriculture and Forestry shall be the following: ARTHUR CAPPER, of Kansas, chairman; GEORGE D. AIKEN, of Vermont; HARLAN J. BUSHFIELD, of South Dakota; GEORGE A. WILSON, of Iowa; MILTON R. YOUNG, of North Dakota; EDWARD J. THYE, of Minnesota; JAMES P. KEM, of Missouri.

#### ADDRESS BY SENATOR TAFT AT TWO HUNDREDTH ANNIVERSARY DINNER OF THE ST. ANDREW'S SOCIETY OF PHILADELPHIA

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address delivered by him at the two-hundredth anniversary dinner of the St. Andrew's Society at Philadelphia, December 1, 1947, which appears in the Appendix.]

#### CAN AMERICAN DOLLARS SAVE EUROPE FROM COMMUNISM?—ADDRESS BY SENATOR BALL

[Mr. BALL asked and obtained leave to have printed in the RECORD an address entitled "Can American Dollars Save Europe From Communism?" delivered by him on December 13, 1947, at Philadelphia, Pa., before the Philadelphia Foreign Policy Association, which appears in the Appendix.]

#### JUSTICE FOR POLAND—ADDRESS BY SENATOR LODGE

[Mr. LODGE asked and obtained leave to have printed in the RECORD a radio address on the subject Justice for Poland, delivered by him on November 30, 1947, which appears in the Appendix.]

#### RECLAMATION—ADDRESS BY SENATOR WHERRY

[Mr. MCFARLAND asked and obtained leave to have printed in the RECORD an address on the subject of reclamation, delivered by Senator WHERRY at a meeting of the National Reclamation Association, in Phoenix, Ariz., October 30, 1947, which appears in the Appendix.]

#### WESTERN DEVELOPMENT: THE NATION'S KEY TO PROSPERITY—ADDRESS BY THE SECRETARY OF THE INTERIOR

[Mr. MCFARLAND asked and obtained leave to have printed in the RECORD an address entitled "Western Development: The Nation's Key to Prosperity," delivered by Hon. J. A. KRUG, Secretary of the Interior, at the 1947 annual convention of the National Reclamation Association in Phoenix, Ariz., which appears in the Appendix.]

#### HOW FAR IS IT TO WATER?—ADDRESS BY THE SECRETARY OF AGRICULTURE

[Mr. MCFARLAND asked and obtained leave to have printed in the RECORD an address entitled "How Far Is It to Water?" delivered by Hon. CLINTON P. ANDERSON, the Secretary of Agriculture, at a meeting of the National Reclamation Association at Phoenix, Ariz., on October 30, 1947, which appears in the Appendix.]

#### INFLATION—STATEMENT OF REPUBLICAN POLICY COMMITTEE

[Mr. TAFT asked and obtained leave to have printed in the RECORD a statement of the Republican policy committee on the subject of inflation, which appears in the Appendix.]

#### INCENTIVES TO SELL WHEAT—EDITORIAL FROM NEBRASKA FARMER

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "Incentives To Sell Wheat," published in the Nebraska Farmer for December 6, 1947, which appears in the Appendix.]

#### PLIGHT OF WIDOWS OF WORLD WAR I—ARTICLE FROM THE ST. PETERSBURG LEGIONNAIRE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an article entitled "Plight of Most Widows of World War I," from the St. Petersburg Legionnaire for October 1947, which appears in the Appendix.]

#### LEAVE OF ABSENCE

Mr. WHITE asked and obtained consent that Mr. MALONE be excused from attendance on the session today because of official business.

#### HEARING ON OIL BY SUBCOMMITTEE OF SMALL BUSINESS COMMITTEE

Mr. IVES. Mr. President, I ask unanimous consent that the Subcommittee on Oil of the Small Business Committee of the Senate be permitted to hold a hearing this afternoon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### CALL OF THE ROLL

Mr. HICKENLOOPER. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	O'Connor
Ball	Hawkes	O'Daniel
Barkley	Hayden	O'Mahoney
Bricker	Hickenlooper	Overton
Bridges	Hoey	Pepper
Brooks	Holland	Rced
Buck	Ives	Revercomb
Bushfield	Jenner	Robertson, Va.
Butler	Johnson, Colo.	Robertson, Wyo.
Byrd	Johnston, S. C.	Russell
Cain	Kem	Saltonstall
Capehart	Knowland	Smith
Capper	Langer	Stennis
Chavez	Lodge	Stewart
Connally	Lucas	Taft
Cooper	McCarran	Taylor
Cordon	McCarthy	Thomas, Okla.
Donnell	McClellan	Thomas, Utah
Downey	McFarland	Thye
Dworshak	McGrath	Tydings
Eastland	McKellar	Umstead
Eaton	McMahon	Vandenberg
Ellender	Magnuson	Watkins
Ferguson	Maybank	White
Flanders	Millikin	Wiley
Fulbright	Moore	Williams
George	Morse	Wilson
Green	Murray	Young
Gurney	Myers	

Mr. WHITE. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent on official business.

The Senator from Maine [Mr. BREWSTER] is necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate because of official business.

The Senator from Pennsylvania [Mr. MARTIN] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate because of a death in his family.



Mr. LUCAS. I announce that the Senators from Alabama [Mr. HILL and Mr. SPARKMAN] and the Senator from West Virginia [Mr. KILGORE] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. DONNELL in the chair). Eighty-six Senators having answered to their names, a quorum is present.

#### INTERIM EUROPEAN AID PROGRAM— CONFERENCE REPORT

Mr. VANDENBERG. Mr. President, I have asked Senators to permit the conference report on the interim aid program to be considered first today, because it must go to the House and be acted on in the House this afternoon. I submit the conference report, and ask for its present consideration.

The PRESIDING OFFICER. The conference report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1774) to promote the general welfare, national interest, and foreign policy of the United States by providing supplies to certain European countries on an emergency basis, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Foreign Aid Act of 1947.'"

"Sec. 2. It is the purpose of this Act to provide immediate aid urgently needed by the peoples of Austria, China, France, and Italy, hereinafter referred to as the recipient countries, to alleviate conditions of hunger and cold and prevent serious economic retrogression.

"Sec. 3. The President, acting through such existing departments, agencies, or independent establishments of the Government as he shall direct, may, by allocation of funds herein authorized to any such existing departments, agencies, or independent establishments, or by establishing in this country credits subject to the control of the President, whenever he finds it in furtherance of the purposes of this Act and upon the terms and conditions set forth in this Act—

"(a) procure, or provide for the procurement of, from any source—

"(1) food, medical supplies, fibers, fuel, petroleum and petroleum products, fertilizer, pesticides, and seed, delivered in a recipient country on or after the date of the enactment of this Act; and

"(2) incentive goods, consisting of commodities not in short supply in the United States, including Government-owned stocks, to be used, distributed, or sold in a recipient country, under a specific agreement previously entered into pursuant to section 5 (g) to increase the production or distribution of locally produced commodities referred to in paragraph (1) of this subsection (a): *Provided*, That not more than 5 per centum of the funds made available under the authority of this Act may be used to procure such incentive goods;

"(b) transport and store, or provide for transportation and storage of, such commodities;

"(c) transfer such commodities to any recipient country;

"(d) incur and defray expenses, including administrative expenses and expenses for compensation and travel of personnel, for carrying out the purposes of this Act.

"Sec. 4. The President shall promulgate regulations controlling the purchase or procurement of commodities under this Act designed to minimize (a) the drain upon the natural resources of the United States and (b) the impact of such purchase or procurement upon the domestic price level: *Provided*—

"(1) That procurement may be from foreign sources whenever the cost delivered to the recipient country will be less than the cost delivered from the United States;

"(2) That, except in the case of commodities not produced in commercial quantities in the United States, not more than 10 per centum of the funds made available under the authority of this Act may be used to procure commodities abroad at delivered cost higher than from the United States, its Territories and possessions, provided that the President shall find that such commodities are in short supply or not readily available in the United States: *Provided further*, That no funds made available under the authority of this Act shall be used by any procurement agency of the United States Government for the purchase, within the United States and its Territories and possessions, of any commodities (other than commodities procured by or in the possession of the Commodity Credit Corporation pursuant to Act of July 1, 1941, 55 Stat. 498, as amended) at prices higher than the market price prevailing at the time of the purchase in the area wherein the purchase is made;

"(3) That the President shall, in making a finding of short supply in the United States, consider (a) the drain upon natural resources, and (b) the effect of the necessary procurement upon domestic prices;

"(4) That the procurement of petroleum and petroleum products shall, to the maximum extent practicable, be made from petroleum sources outside of the United States and its Territories and possessions; and wherever practicable such petroleum and petroleum products shall be delivered to the recipient country by the most economical route from the source of supply.

"Sec. 5. Before any commodities are made available to any recipient country under the authority of this Act, an agreement shall be entered into, subject to the limitations and provisions of this Act, between such country and the United States containing an undertaking by such country—

"(a) to make efficient use of any commodities made available under the authority of this Act and to take insofar as possible the economic measures necessary to increase its ability to achieve a self-sustaining economy;

"(b) to make, when any commodity which is not furnished on terms of repayment in dollars is made available under this Act, a commensurate deposit in the currency of such country in a special account under such general terms and conditions as may, in said agreement, be agreed to between such country and the Government of the United States, and to hold or use such special account for, and only for, such purposes as may be agreed to between such country and the Government of the United States, and under agreement by the government of the receiving country that any unencumbered balance remaining in such account on June 30, 1948, will be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution of the Congress, be agreed between such country and the Government of the United States;

"(c) to give full and continuous publicity by all available media (including government press and radio) within such country, so as to inform the ultimate consumers, as to the purpose, source, character, and amounts of commodities made available under the authority of this Act;

"(d) to furnish promptly upon request of the President information concerning the method of distribution and use of commodities made available under this Act, and to furnish on March 31, 1948, or as soon as practicable thereafter, information showing—

"(1) an itemized list of commodities made available with funds provided under this Act;

"(2) the total amount of money received by such country from the sale of commodities made available under this Act and the average price charged per unit for each commodity;

"(3) a detailed statement of the disposition of all money and other things of value received from the sale or transfer of any commodities made available under this Act; and

"(4) such other information concerning the distribution and use of commodities made available under this Act as may be requested by the President;

"(e) to make available to its people at reasonable prices, consistent with economic conditions in the recipient country, such commodities as it may sell under the terms of this Act; and, where necessary, to distribute to indigent and needy persons their fair share of all available food supplies;

"(f) to make all possible efforts to secure the maximum production and distribution of locally produced commodities, and not to permit any measures to be taken involving sale, distribution, or use of any commodities of the character covered in this Act which would reduce the locally produced supply of such commodities or the utilization of foreign sources of supply other than the United States;

"(g) to enter into specific agreements providing for such use, distribution, and sale of each classification of incentive goods, made available to it under the authority of this Act, as will increase the production or distribution of locally produced commodities referred to in paragraph (1) of section 3 (a);

"(h) not to export or permit removal from such country, while need therefor continues, of commodities made available under the authority of this Act or commodities of the same character produced locally or imported from outside sources, except to the extent agreed upon by the Government of the United States;

"(i) to permit representatives of the Government of the United States, including such committees of the Congress as may be authorized by their respective Houses, to observe, advise, and report on the distribution among the people of such country of commodities made available under the authority of this Act;

"(j) to permit representatives of the press and radio of the United States to observe and report on the distribution and utilization of the commodities made available under this Act and the special account provided for in subsection (b) of this section.

"Sec. 6. The President shall promptly terminate the provision of aid under this Act for any country (a) whenever he determines that such country is not adhering to the terms of its agreement entered into in accordance with section 5 of this Act; or (b) whenever he finds, by reason of changed conditions, that the provision of aid under this Act is no longer necessary or desirable; or (c) whenever he finds that because of changed conditions aid under this Act is no longer consistent with the national interests of the United States.

"Sec. 7. All commodities made available under the authority of this Act or the containers of such commodities shall, to the extent practicable, be marked, stamped, branded, or labeled in a conspicuous place as legibly, indelibly, and permanently as the nature of such commodities or containers will permit, in such manner as to indicate to the people of the country of destination that such commodities have been furnished or





United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 80<sup>th</sup> CONGRESS, FIRST SESSION

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No. 164

## Senate

(Legislative day of Thursday, December 4, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our Father, as our heads are bowed in prayer, may our hearts be open to Thy Spirit, lest we say words with our hearts not in them, and make Thee yawn at the emptiness of our petition, or make Thee angry at the insincerity of what we do.

Give us faith to believe in prayer, and in Thy willingness to work in us that Thy will may be done among the nations and in our own land.

We ask this in Jesus' name. Amen.

### THE JOURNAL

On request of Mr. HICKENLOOPER, and by unanimous consent, the reading of the Journal of the proceedings of Friday, December 12, 1947, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

### SETTLEMENT OF FEDERAL TORT CLAIMS BY ATTORNEY GENERAL

The PRESIDENT pro tempore laid before the Senate a letter from the Attorney General of the United States, reporting, pursuant to law, on the settlement of Federal tort claims made by the Department of Justice, which was referred to the Committee on the Judiciary.

### PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Resolutions adopted by the City Commissioners of the City of West Palm Beach and the Palm Beach County branch of the American Association of University Women, both in the State of Florida, favoring an appropriation in an amount sufficient to give proper water control of the Everglades from the Kissimmee Swamp to the southern end of the mainland of Florida; to the Committee on Appropriations.

By Mr. PEPPER:

A resolution adopted by members of the Florida State Horticultural Society at St. Petersburg, Fla., favoring reestablishment of the State-Federal citrus canker eradication project in Louisiana and Texas; to the Committee on Agriculture and Forestry.

A resolution adopted by members of the Florida State Horticultural Society at St. Petersburg, Fla., requesting that the Secretary of Agriculture enter into cooperative agreements with the Government of Mexico to the end that blackfly be eradicated or brought under control in Mexico at an early date; to the Committee on Agriculture and Forestry.

A resolution adopted by members of the Florida State Horticultural Society at St. Petersburg, Fla., relating to the inspection of baggage at ports of entry in Florida; to the Committee on Finance.

### FOREIGN LEGION IN THE UNITED STATES ARMY

Mr. LODGE. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the United American Veterans, Washington, D. C., which relates to the proposition of forming a Foreign Legion in the United States Army.

There being no objection, the resolution was received, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Resolution favoring a Foreign Legion of the United States of America

Whereas at this very moment our Government is spending millions of dollars for the purpose of helping destitute Christian nations, and also to acquaint all foreign countries with our form of democracy; and

Whereas a Foreign Legion of the United States of America would be a very fine way to introduce American democracy to all foreign nationals and it would also help to alleviate a lot of suffering with the families of the Legionnaires: Therefore be it

Resolved, That the United American Veterans go on record as giving wholehearted support to Senator Lodge's idea of creating an army to be known as the Foreign Legion of the United States of America; be it further

Resolved, That this said army shall be composed of enlisted soldiers, all of foreign nationalities and officers and noncommissioned officers who are American citizens; be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to the Secretary of National Defense, to the chairmen of the Committee on Armed Services of the Senate and the House, and the press.

THOMAS DIXON,  
National Commander.  
FRANCIS F. LEBRUN,  
National Adjutant.

### PROGRAM FOR CONTROL OF PRICES

Mr. REED. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a program for the control of prices, written by Melvin J. Wheeler, of Lawrence, Kans. Mr. Wheeler is a former member of the Kansas Legislature.

There being no objection, the program was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

LAWRENCE, KANS.,

November 29, 1947.

Members in Congress, Washington, D. C.:

An important issue is under discussion among you. Some claim that no restrictions should be used during the reconstruction period. Others claim there should be. The writer would like to give his view on the subject.

Prices during the war advanced extremely high because proper means were not used to prevent it. Then after the war all price restrictions were removed. This was an implied suggestion to this effect: "Now you are free. Go to it and get all you can in a hurry." This admonition has been heeded, as evidenced by higher prices on some articles now than during the war.

In the face of this situation, we should ask ourselves a question: What effect will the shipment of millions of pounds of commodities to Europe have on prices in our country? Without control, they will surely go higher. According to the law of supply and demand, products shipped out means the same as though less has been produced for home consumption. Therefore, if we are going to give relief to Europe, let us decide at the same time that it shall not affect the price on goods consumed at home. The only way to do this is to set the top price on goods consumed at home at what prevails when shipment to Europe starts. This restriction should be left in force until prewar conditions have returned. This plan is meant to produce an immediate effect. A more far-reaching plan follows:

Excessively high prices came step by step during the war because of lack of control. Now let us return to normal step by step under the influence of lawful control. Here is a plan which we believe would produce the desired result:

Commencing on date mentioned in this act, prices shall be lowered a certain percent each month until prewar level has been reached. Give sufficient time after passage of the act for dealers to dispose of stock on hand before cut in price goes into effect. Then dealers can restock in anticipation of



future cut in price. In this way we can merge gradually back to normal, instead of waiting for a panic to send us back in one bold plunge.

Listen to this warning: The business structure of this country has become top-heavy because of inflation and high prices. This condition must be corrected, or a financial crash is bound to come. Are we going to read the writing on the wall, or are we going to drift blindly along waiting for the worst to come?

Gentlemen, it is left for you to decide this question. What will your answer be?

Respectfully,

MELVIN J. WHEELER,  
Former Member,  
Kansas House of Representatives.

#### REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—REPORT ON UNITED STATES POSTWAR FOREIGN ASSISTANCE (S. DOC. NO. 112)

The PRESIDENT pro tempore laid before the Senate a letter from Mr. BYRD, chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, transmitting, pursuant to law, an additional report of the joint committee on the subject of United States postwar foreign assistance, which was referred to the Committee on Appropriations.

Mr. BYRD. Mr. President, I ask unanimous consent that the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on the subject of United States postwar foreign assistance, just laid before the Senate, be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

S. 1869. A bill for the relief of William Jackson Bishop; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1870. A bill to provide for the adjustment of repayment contracts with respect to lands within the Flathead irrigation project, Montana, and for other purposes; to the Committee on Public Lands.

By Mr. McCARRAN:

S. 1871. A bill to restore certain lands to the townsite of Wadsworth, Nev.; to the Committee on Public Lands.

S. 1872. A bill for the relief of Jose Babace; to the Committee on the Judiciary.

(Mr. CAPEHART introduced Senate bill 1873, to maintain prosperity, promote full employment, and kill inflation, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. HATCH:

S. 1874. A bill authorizing the head of the department or agency using the public domain for national defense purposes to compensate holders of grazing permits and licenses for losses sustained by reason of such use of public lands for national defense purposes; to the Committee on Public Lands.

By Mr. BYRD:

S. 1875. A bill for the relief of the estate of Francis D. Shoemaker; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 1876. A bill for the purpose of erecting a Federal building in Kirkland, Wash.;

S. 1877. A bill for the purpose of erecting in Seattle, Wash., a post-office building to be known as the Broadway Station;

S. 1878. A bill for the purpose of erecting a post-office terminal annex in Seattle, Wash.;

S. 1879. A bill for the purpose of erecting in Seattle, Wash., a post-office building to be known as the West Seattle Station; and

S. 1880. A bill for the purpose of erecting in Tacoma, Wash., a post office building; to the Committee on Public Works.

(Mr. BRIDGES (for himself and Mr. EASTLAND) introduced Senate Joint Resolution 165, providing for the discontinuance of further plant dismantling in the American war zone in Germany, and for other purposes, which was referred to the Committee on Armed Services, and appears under a separate heading.)

(Mr. SMITH (for himself, Mr. FULBRIGHT, Mr. SALTONSTALL, Mr. BRICKER, Mr. KNOWLAND, Mr. HATCH, Mr. LODGE, Mr. THOMAS of Utah, Mr. BALL, Mr. O'MAHONEY, and Mr. HILL) introduced Senate Joint Resolution 166, to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. TAFT:

S. J. Res. 167. Joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes; to the Committee on Banking and Currency.

#### PLANT DISMANTLING IN AMERICAN WAR ZONE IN GERMANY

Mr. BRIDGES. Mr. President, on behalf of myself and the Senator from Mississippi [Mr. EASTLAND], I ask unanimous consent to introduce for appropriate reference a joint resolution providing for the discontinuance of further plant dismantling in the American war zone in Germany, and I request that it be printed in the RECORD.

There being no objection, the joint resolution (S. J. Res. 165) providing for the discontinuance of further plant dismantling in the American war zone in Germany, and for other purposes, introduced by Mr. BRIDGES (for himself and Mr. EASTLAND), was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Whereas the American zone of occupied Germany constitutes today a deficit economy calling for large appropriations by the United States; and

Whereas there are proposals on foot for having the United States assume similar expenditures in the British zone of occupied Germany, which has been economically merged with the American zone into the so-called bizonie; and

Whereas it is imperative that these expenditures be no larger than necessary so as not to further burden the American taxpayer; and

Whereas a new level of industry has been agreed upon for the bizonie since the Potsdam policy for Germany has not proved workable; and

Whereas occupied Germany and more especially the bizonie are an integral part of the program for Europe's economic reconstruction now being considered by the Congress; and

Whereas the potential industrial productive capacity of the bizonie would be seriously

reduced by the dismantling of 682 plants declared surplus and available for reparations; and

Whereas it is doubtful that the plants, if removed, could be successfully integrated into the productive facilities of the recipient countries, without great loss of time and efficiency; and

Whereas the net productive capacity of all western Europe would be thereby reduced, at the expense of the American taxpayer: Therefore be it

*Resolved, etc.,* That the Secretary of Defense is directed to issue orders to the military and civilian personnel of the United States engaged in the occupation of Germany to discontinue immediately all plant dismantlings and prevent the commencement of any new dismantling, in the United States zone of Germany, until the Congress shall have had an opportunity to investigate and determine which plants are clearly non-convertible war plants and to study the economic effects of any such dismantling upon the proposed expenditures to be incurred in connection with the economic reconstruction of western Europe, including Germany. No such dismantlings shall thereafter be resumed except as specifically approved by law, and pending the enactment of such legislation, the plants now in existence shall be utilized to their fullest possible capacity for peacetime production in the interest of building up a self-supporting Europe, independent of American aid: *Provided*, That in no event shall dismantlings be commenced or carried on with a view to shipment to Russia or any of her satellite countries unless specifically approved by law in each case.

SEC. 2. The President is requested, in view of proposed American aid to the British zone of Germany, to suggest to the British Government that it adopt similar policies with respect to plant dismantling in the British zone, and to further suggest that adequate machinery be set up for American participation with respect to investigation and review as to the character of individual plants in the British zone.

SEC. 3. (a) There is hereby established a joint congressional committee to be composed of five Members of the Senate, to be appointed by the President pro tempore of the Senate, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. A vacancy in the membership of the committee shall not affect the powers of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall elect a chairman and a vice chairman from among its members.

(b) The committee, acting as a whole or by subcommittee, shall carry on a continuing review and study as contemplated by this joint resolution, with a view to advising the Congress on matters for which congressional approval is required under this joint resolution. The committee shall from time to time report to the Senate and the House of Representatives the results of its studies and investigation, together with such recommendations as it may deem advisable with respect to the dismantling of the plants under consideration.

(c) The committee shall have the power, with regard to the civil-service laws and the Classification Act of 1923, as amended, to employ and fix the compensation of such officers, experts, and employees as it deems necessary for the performance of its duties, including consultants who shall receive compensation at a rate not to exceed \$35 for each day actually spent by them in the work of the committee, together with their necessary travel and subsistence expenses. The committee is further authorized, with the consent of the head of the department or agency concerned, to utilize the services, in-



Mr. COLE of Missouri asked and was given permission to extend his remarks in the RECORD and include an article entitled, "It Should Be Outlawed," by Mr. George A. Blasser.

Mr. HOFFMAN asked and was given permission to extend his remarks in the RECORD in two instances and include editorials and extraneous matter.

Mr. McMILLEN of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include an address by Hon. RALPH A. GAMBLE, chairman of the Joint Committee on Housing, before the New York Metropolitan Association of Real Estate Boards, on December 12, 1947.

Mr. LEFEVRE asked and was given permission to extend his remarks in the RECORD and include an article by Mark Sullivan.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, on Wednesday, December 10, I obtained unanimous consent to extend my remarks in the RECORD and include a speech by a distinguished newspaperman, Mr. Frank E. Gannett, entitled "An Opportunity—and a Challenge." I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$195.25, but I ask that it be printed, notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

#### SPECIAL ORDERS GRANTED

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the special order I have for today may go over until Thursday of this week.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent that today after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 1 hour to discuss my bill (H. R. 4482) to outlaw the Communist Party in the United States.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### EXTENSION OF REMARKS

Mr. ELLIS asked and was given permission to extend his remarks in the RECORD in three instances and include in each newspaper items.

Mr. HUGH D. SCOTT, JR., asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Philadelphia Inquirer.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in three instances, and include letters, in one of which I ask the Secretary of Agriculture to stay in Washington long enough between political speeches to do something about the chicken prices and something about the Steagall amendment.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

#### ATOM BOMB WORKERS

Mr. CURTIS. Mr. Speaker, if your house were burning down this minute and you had called the fire department, what would you do if the firemen said, "Sorry. We cannot come. We are on strike"?

Or if you were desperately ill, telephoned a doctor, and he told you that he might drop by next week if the doctors' strike was over.

Would you, as a citizen, agree that stoppages of these duties are perfectly all right according to the laws protecting labor, or would you say that here, in a category above the purely industrial, are persons ignoring their moral and civic responsibilities?

I think we all know the answer.

The same feeling holds true, I believe, of the men and women at present engaged in the manufacture of atomic bombs. There we have a segment of our population engaged in occupation which is part of our national state of security, part of our reason for existing.

If these workers in the production of atomic bombs should strike, as almost happened last week, our American civilization is endangered. Our whole future is in the hands of the few who produce the atomic bomb. If they stop their work, they violate a most sacred trust. Their work stoppage at a crucial time could mean the difference between preservation of this Republic and its total disintegration.

The men and women who are at work on atomic bomb development have a great responsibility. If they do not want to assume that responsibility, it should be their immediate choice to return to an occupation which has less immediate bearing on the future of our Nation.

Mr. Speaker, the Committee on Labor of this House should forthwith inquire into the situation and report legislation that will make strikes, delays, slow-downs, and work stoppages in atomic bomb plants impossible.

As the situation now exists the agents of any foreign power may influence the actions of workers in the atomic bomb plants. They may use their most insidious means to hold up production of our country's safeguard.

Let us stop the danger before it starts.

#### EXTENSION OF REMARKS

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD and include two articles concerning Do We Owe Europe a Living?

Mr. KEOGH asked and was given permission to extend his remarks in the RECORD and include an address delivered by Commissioner Richard Parkhurst, of

the United States Maritime Commission, at Kings Point, Long Island, N. Y.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BLAND asked and was given permission to extend his remarks in the RECORD relating to the Coast Guard, as well as an article appearing in the Coast Guard magazine and other quotations.

Mr. DOMENGEAUX asked and was given permission to extend his remarks in the RECORD in two instances, to include in one an address delivered by President Joel L. Fletcher of Southwestern Louisiana Institute, before the Cambridge Historical Society of Massachusetts, and in the other a radio address he delivered over the Louisiana radio network.

Mr. FORAND asked and was given permission to extend his remarks in the RECORD and include an article by John Hanlon.

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Post.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Sunday Boston Post.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, on December 11, 1947, the opening broadcast of a new radio station—WLYN of Lynn, Mass.—was aired.

A new business enterprise is a welcome addition to the life of any community. But when that business is dedicated, as the new voice of WLYN is, to the high service of bringing entertainment and instruction to thousands of homes, it is twice welcome.

The prime function of radio is to entertain. With symphonies and church hymns and dance bands, it provides music to suit every taste. With serious dramas, light comedies, sports, news, and audience-participation features, it brings every kind of entertainment into our living rooms. Through forums, talks on government and science, and appeals for various community services, radio is working for fellowship among the millions of individuals and the many groups which constitute our society.

In a free country like ours, radio is a great factor in helping to develop understanding and tolerance. In dictatorships, however, where radio is rigidly controlled by the state, it is used as an instrument to mislead and enslave the people. Consider these facts. In Japan there were 93 radio sets per 1,000 population, in Italy, 32; in Spain, 14; under their Fascist masters. In Communist Russia there are only 8 radio sets per 1,000 population. By contrast, in the United States, there are 425 radio sets for every 1,000 people. Possession of radios by private citizens in Communist and Fascist countries, without a permit from some petty bureaucrat, means arrest and imprisonment. On the other hand, we Americans hail the opening of



another radio station—WLYN—and the freedom of expression and of choice for which it stands.

The members of the listening audience are the masters, and the broadcasters are their servants. In the freedom of individual homes, with a turn of the dial, one can admit radio's voice or silence it. With another dial, one can dismiss a program which fails to hold the listener's interest and select another more to one's liking. Every radio station in this country, sensitive to the wishes of the people, is working constantly to provide the public with the programs that they will enjoy. Ours is a democratic form of radio broadcasting. We must be vigilant in order to keep it so. The owners and operators of WLYN, consistent with our American tradition, will strive to develop this medium of expression toward greater freedom and progress.

Although the principal purpose of radio is to entertain, it is also responsible for the clear and accurate presentation of the problems which challenge us as citizens of a self-governing nation. We need information on both sides of every issue in order that we may properly decide.

From the days 100 years ago when people gathered in the town hall to hear Lincoln and Douglas debate the issues which preceded the Civil War, we have become a great and populous Nation. Because of our size, it is no longer possible for leaders to face any large numbers of people and be heard as they clarify the issues in debate. Our growth has threatened to smother the democratic processes.

Through the miracle of radio and with television to come, this danger is over. Through forums and political discussions which represent every point of view the people can hear and judge.

As we must.

In this third year of the atomic age, however, there are some individuals and groups in our country and some nations in this world who do not realize that there is no room for isolation. Science has leaped ahead of people's knowledge and understanding of one another. We have got the tools which can make life on this earth a paradise or a hell. The choice depends on whether or not we learn to work together, and employ these tools to build and not to destroy.

Radio is a medium which can help us to grow up to this new and imperative knowledge.

The people of Lynn are justly proud of their new radio station. People of neighboring cities and towns will also share in the service which it offers.

Dedicated to cooperation between broadcaster and listening audience, I am confident that station WLYN is at the beginning of a long and popular career. To the owners, operators, and patrons, I extend my sincere wishes for a happy and helpful association.

Mr. STIGLER asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. LARCADE asked and was given permission to extend his remarks in the RECORD in three instances and include in each newspaper articles.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the RECORD in two instances and include in each editorials appearing in the St. Louis Post-Dispatch.

Mr. BATTLE asked and was given permission to extend his remarks in the RECORD and include an article by Hubert Lee.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. CARROLL asked and was given permission to extend his remarks in the RECORD and include planks on housing adopted by the American Veterans' Committee at its annual convention in Wisconsin.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. RICH asked and was given permission to extend his remarks in the RECORD and include an article by David Lawrence entitled "More for Less Work—The Way to Depression."

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. STEVENSON asked and was given permission to extend his remarks in the RECORD and include a letter from a constituent.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. BYRNES of Wisconsin (at the request of Mr. NORBLAD) was given permission to extend his remarks in the RECORD and include editorials.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include an address she delivered last Saturday before the Council on World Affairs in Cleveland.

#### SPECIAL ORDER GRANTED

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of the legislative program of the day and following any special orders heretofore entered, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

#### EXTENSION OF REMARKS

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the RECORD in four instances and include extraneous matter.

Mr. FOOTE asked and was given permission to extend his remarks in the RECORD and include some observations as to the advisability of including a specific appropriation for seeds under the bill H. R. 4604, the emergency foreign-aid bill.

Mr. GAMBLE asked and was given permission to extend his remarks in the RECORD and include a news article.

#### CORRECTION OF RECORD

Mr. GAMBLE. Mr. Speaker, I ask unanimous consent that a correction be made in the CONGRESSIONAL RECORD of

Wednesday, December 10, 1947, No. 161, on page A4991 of the Appendix, in a report inserted in the RECORD by the Honorable FRANK L. SUNDSTROM, as follows:

First column, paragraph V, "Labor the most important element," subdivision (a), substitute the following, and I ask that the permanent RECORD be corrected accordingly:

Of the three essential elements—money, materials, and men—labor, in the long run, is by far the most important. Although the index of union wage rates now stands at 147.4, as compared with 100 in 1939, labor costs in a six-room frame dwelling unit are now 69 percent of the total cost, as compared with 56 percent in 1939.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### CALL OF THE HOUSE

The SPEAKER. This is Suspension Day. The Chair recognizes the gentleman from Michigan [Mr. Wolcott].

Mr. RAYBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixty-eight Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 144]

Allen, La.	Delaney	Potts
Bates, Ky.	Dirksen	Powell
Boggs, La.	Drewry	Rabin
Brophy	Harris	Reed, Ill.
Buchanan	Hart	Reed, N. Y.
Buckley	Hartley	Rivers
Busbey	Hébert	Rooney
Celler	Hinshaw	Sabath
Clements	Jenison	Scoblick
Clippinger	Kelley	Somers
Coffin	Lichtenwalter	Thomas, N. J.
Colmer	McDonough	Trimble
Courtney	Morrison	Vursell
Davis, Ga.	Nodar	
Dawson, Ill.	Owens	

The SPEAKER. On this roll call 389 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

#### EXTENSION OF REMARKS

Mr. HARNESS of Indiana asked and was given permission to extend his remarks in the RECORD and include a memorandum.

Mr. CHENOWETH asked and was given permission to extend his remarks in the RECORD and include an editorial.

#### STABILIZATION OF COMMODITY PRICES

Mr. WOLCOTT. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H. J. Res. 273) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, with certain committee amendments.

The Clerk read as follows:

Resolved, etc.—

#### DECLARATION OF PURPOSES

SECTION 1. The purpose of this joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing in-



flationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities which basically affect the cost of living or industrial production.

#### VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

(3) providing for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production;

(4) providing for regulation of speculative trading on commodity exchanges; or

(5) which will otherwise carry out the purposes declared in section 1 of this joint resolution.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Parties to any agreement approved under this section are hereby relieved from the operation of the antitrust laws, and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreement and with respect to carrying out such agreement prior to March 1, 1949, in conformity with its provisions.

(d) As used in this section the term "person" means an individual, corporation, partnership, or association.

#### EXPORT CONTROLS

SEC. 3. Section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out "February 29, 1948" and inserting in lieu thereof "February 28, 1949".

#### ALLOCATION OF TRANSPORTATION FACILITIES

SEC. 4. Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, shall continue in effect to and including February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of transportation equipment and facilities by rail carriers.

#### DELEGATION OF AUTHORITY

SEC. 5. The authority granted to the President by section 2 of this joint resolution and, notwithstanding the provisions of section 6 of the Second Decontrol Act of 1947, the authority granted to the President by section 4 of this joint resolution and by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

#### RESERVE REQUIREMENTS APPLICABLE TO FEDERAL RESERVE BANKS

SEC. 6. (a) The third paragraph of section 16 of the Federal Reserve Act, as amended,

is amended by changing the first sentence of such paragraph to read as follows:

"Every Federal Reserve bank shall maintain reserves in gold certificates of not less than 35 per centum against its deposits and reserves in gold certificates of not less than 40 per centum against its Federal Reserve notes in actual circulation: *Provided, however,* That when the Federal Reserve agent holds gold certificates as collateral for Federal Reserve notes issued to the bank such gold certificates shall be counted as part of the reserve which such bank is required to maintain against its Federal Reserve notes in actual circulation."

(b) The first sentence of the fourth paragraph of section 16 of the Federal Reserve Act, as amended, is amended by striking out "25 per centum" and inserting in lieu thereof "40 per centum".

(c) Subsection (c) of section 11 of the Federal Reserve Act, as amended, is amended to read as follows:

"(c) To suspend for a period not exceeding 30 days, and from time to time to renew such suspension for periods not exceeding 15 days, any reserve requirements specified in this act: *Provided,* That it shall establish a graduated tax upon the amounts by which the reserve requirements of this act may be permitted to fall below the level hereinafter specified: *And provided further,* That when the reserve held against Federal Reserve notes falls below 40 per centum, the Board of Governors of the Federal Reserve System shall establish a graduated tax of not more than 1 per centum per annum upon such deficiency until the reserves fall to 32½ per centum, and when said reserve falls below 32½ per centum, a tax at the rate increasingly of not less than 1½ per centum per annum upon each 2½ per centum or fraction thereof that such reserve falls below 32½ per centum. The tax shall be paid by the Reserve bank, but the Reserve bank shall add an amount equal to said tax to the rates of interest and discount fixed by the Board of Governors of the Federal Reserve System."

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 7. There is hereby authorized to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of this joint resolution.

The SPEAKER. Is a second demanded?

Mr. SPENCE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 20 minutes and the gentleman from Kentucky [Mr. SPENCE] is recognized for 20 minutes.

Mr. WOLCOTT. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, at the opening of the special session, the President sent a message to the Congress asking, in a 10-point program, for rather broad authority to aid in the control of inflation. The Committee on Banking and Currency held hearings on the whole program, although certain sections of it were not primarily within the jurisdiction of the committee. We did not think, however, that we could get a clear understanding of its purposes and objectives unless we had a hearing on the entire program. In consequence of those hearings, it developed that there were certain parts of the program which were highly contro-

versial. We had in mind that the Congress would recess for the holidays. It is expected that Congress might recess on the 19th of this month. Therefore, it became obvious that we could not do an over-all job on the President's recommendations. So it was agreed to report out a bill of four parts, which, it will be noticed, contains at least some of the recommendations of the President. The program, as we understood it, is divided into three phases. When I say as we understood it, it was our understanding from the testimony of the witnesses of Cabinet level that the program was to be divided in three phases. The first was to get the industries, agriculture and labor, to consult with the Government and see if they could not agree upon certain things which might result in the stabilization of prices. The President had stressed the necessity for readjustments in the allocations of materials. Of course, it became very, very apparent that if agreements were to be entered into of that nature they might be in violation of the antitrust laws and other laws against restraints of trade.

So in keeping with the recommendation that the President wanted to put into effect as his first phase some voluntary controls, if they could be agreed upon, we provided in the bill—that the President might consult with industry, business, and agriculture with a view to agreeing on certain phases of the program. Of course, if they are to be effective, we have to postpone for the moment the operation of the antitrust laws as they affect the participants to these agreements. I think we ought to have it definitely in mind that the section of the bill, subsection 3 on page 3, which provides for the suspension temporarily of the antitrust laws, applies only to the signatories to the agreement. They do not apply industry-wide, and we have made it very clear in the report that there is nothing in these agreements even faintly resembling the NRA codes, which were made industry-wide and which were made under conditions whereby a few units of an industry might get together and agree upon codes which were operative industry-wide. That cannot be done under this bill, anything to the contrary notwithstanding. There is nothing in the bill which provides that the President shall approve any of these agreements. The whole thing on the part of industry or on the part of the President or anyone whom he might designate to act in his behalf is purely voluntary. The President can insist upon any restrictions, any limitations in these agreements, so long as they are for the purpose of carrying out the purposes of the bill. If those stipulations which he might provide for are not contained in the agreement, then, of course, he does not have to approve it. The Attorney General may be designated by the President under authority of this bill to approve any and all agreements notwithstanding the fact that they have been or may be approved by any department head which the President has designated to conduct the negotiations. So the whole program is entirely voluntary.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?



Mr. WOLCOTT. I yield.

Mr. HALLECK. Should it not also be pointed out that the matter of the fixing of prices is specifically excluded in this legislation?

Mr. WOLCOTT. I was leading up to that in explanation of why we took out certain paragraphs with respect to export controls, because there was some indication in respect to subsection (b) on page 3 that by the use of the words "price criteria" some authority might be obtained to set prices through the control of exports. We made it very plain that there was to be no price control in this legislation. The reason for that is that the second phase of the program contemplates statutory control over allocations and priorities. All of the witnesses said that they would not use the statutory powers in the field of allocations and priorities until they had tried to work out these programs voluntarily with the industry. Price controls would not be put into effect until and unless the voluntary program failed, and the statutory power over allocations and priorities was not effective. Price controls following, wage controls would follow that, so we have perhaps these four phases: Voluntary agreements, statutory allocations and priorities, price control, and perhaps wage control would go along with that, because the President himself says there can be no effective price control without wage control.

The witnesses on the part of the Government were unable to tell us at this time how they would apply these controls, only to say that they would be applied, if they were given the power to do so, selectively. They could not tell us what commodities they would select which would come under these controls at this time. So we thought that perhaps after the voluntary controls were put into operation they might be in a better position, after the voluntary controls had had a fair chance to do the job, to tell us in what manner they would apply statutory controls if they were given authority to do so. The administration at the present time is in no position to tell us how they would apply them. We, of course, are in no better position to tell them how they should be applied. So voluntary controls is the first phase of the program to which we will give additional attention at the regular session of Congress. It appears that these four things which we have set out here are things that should not be too controversial. They are in keeping with the President's wishes. Of course, it is not his whole program, because, as I have said, the other points of his program are so controversial that we just could not have time to do it. But we did feel, to get the program started, we should give the President the authority in this joint resolution at this special session of Congress. It is my personal opinion that this is the only part of the program which can be legislated upon between now and next Saturday.

The President asked for controls in his message, to restrain the creation of inflationary bank credit. In keeping with that recommendation we have provided in this joint resolution language which

should indicate to banks and other financial institutions, to industry, to agriculture, and to labor and all segments of our economy which may be affected, that from now on the policy of the Government is going to be toward retraction of credit instead of expansion of credit.

Mr. Speaker, I yield myself three additional minutes.

The SPEAKER. The gentleman from Michigan is recognized for three additional minutes.

Mr. WOLCOTT. And the provisions with reference to the gold reserve behind Federal Reserve bank deposits and currency issues is only an indication of the policy which we feel should be adopted by the Government.

There are two basic reasons why we have inflation, two basic reasons why we have high prices. One of them is the cheap-money policies of Government which were put into operation by the laws passed by Congress at a time when we were in a depression and when we were carrying on a war. Now, if they have resulted, as is a fact, in inflationary practices, in high prices, then, of course, to cope with that fact, we should reverse the process and start putting the brakes on very gradually, very gradually, so that there will be little or no shock to our economy. There should be an indication that our policy henceforth is to be one of gradually putting the brakes on against credit and currency expansion to effectuate a stabilization of prices and our entire economy.

This joint resolution gives the authority to the President and to the Board of Governors of the Federal Reserve Board to do the job and do it gradually under an announced policy. Mr. Eccles has said and is so quoted in the press last week, that this does not mean a thing. The reserves at the present time are already 48 percent. We provide they shall be restored to the previously existing levels. So there will not be any effective result immediately from the reimposition of these controls. They used to be 35 percent against deposits in Federal Reserve banks and 40 percent against the issue of Federal Reserve notes. We reduced these reserves to 25 percent to make credit easy. But now we are putting it back where it was, that is all. It is an indication that we should start, under the President's recommendations, to adopt certain policies in restraint of the creation of inflationary bank credits.

We have likewise extended export controls in such manner that the President may be given broad authority, broad discretion as to this second reason why we have high prices and inflation. This second reason is the unusually heavy demand of foreign countries for American goods which are in short supply. The President is authorized under this bill so to adjust our exports as to safeguard and stabilize the American economy. We have given him the power in this bill to start the job which has got to be done if we are going to have economic stability and lower prices in the United States.

Mr. FLETCHER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FLETCHER. Does the gentleman draw a distinction between the Presi-

dent's program and compulsory controls, and this program of voluntary controls?

Mr. WOLCOTT. I thought I had. This is purely a voluntary program.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

The SPEAKER. The gentleman from Kentucky is recognized for 5 minutes.

Mr. SPENCE. Mr. Speaker, we are confronted with one of the greatest questions that has been presented to the American Congress in peacetime in generations. It is a question that involves the future welfare and happiness of the American people and the stabilization of our economy. The proper solution of the question that presents itself is of gravest importance. This bill was defeated in the committee on the original vote. On a reconsideration it was voted out by a few votes. Some of the Members voted to reconsider, I am confident, because they thought the House ought to have an opportunity to consider the matter.

If the House adopts this resolution it will be precluded from calling itself a deliberative body in the future. We all expected that a rule would be obtained, a liberal rule, by which amendments could be offered to this bill. Instead of that those who control the majority have decided it shall be considered under suspension of the rules whereby no amendments may be offered.

Mr. SMITH of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Is it not a fact this bill had no hearings at all?

Mr. SPENCE. It had no hearings. It never had any hearings. We had before us several members of the Cabinet and we had hearings on the general state of the Union, but we had no hearings on this bill.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I may call attention to the fact that these hearings, consisting of 336 pages, are all right on this bill.

Mr. SPENCE. I realize the hearings were on the general subject, but the bill had not been presented to the committee at the time those hearings were held. The committee had no opportunity to question the witnesses as to the specific provisions of this bill. It was introduced one evening and the next day the committee went into executive session and reported the bill without hearings. It is a bill of such vital importance that we certainly should have an opportunity to consider it as we consider many minor bills in the Congress.

What does it do? The President has asked for bread and he is given a stone. I cannot believe there is any sincerity in this bill. I do not mean to impugn the motives of any of my colleagues, for whom I have great respect and friendship, but I do not believe there is any sincerity in giving to the President this bill. It gives him no additional power. The essential element of the law is that it commands or prohibits. This bill commands nothing, it prohibits nothing. It extends the same powers in reference to



export controls and allocations that the President already has under the War Powers Act, and he will have these powers until February 28 next year. It gives him something he has not asked for.

It is stated by the majority that they have complied with a part of his program. But this is no part of his program, and if it were a part of his program, it does not comply with his request for a complete program, a part of which would be entirely ineffective. He asked for 10 points. He asked for power to curb inflation, and you have given him power to sit down with industry, agriculture, and business, make voluntary agreements which he has no authority to enforce, and thereby nullify all of the antitrust laws with all of the restraints, limitations, and prohibitions in those laws. Of course, the President has to approve these agreements. It seems to me, however, it simply allows the camel to get his head under the tent, and you will have difficulty in removing him. These agreements which you give the President the power to approve are not going to be initiated by the President. You know how adroit, how skillful, and how designing the big interests are. They will find a way to get together and to propose agreements that will break the inflationary spiral.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield myself two additional minutes.

We are in an inflationary spiral which will inure to the benefit of the big interests who are authorized to make the agreements until a final crash comes, and can anyone believe that they will make agreements harmful to their interests and beneficial to the consumers of America? I have no confidence in voluntary agreements alone. Voluntary agreements may do very well if you have some power behind them.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If this bill passes, and is approved by the President, and after an agreement is made which is violated, is there any power to enforce it?

Mr. SPENCE. There are no penalties in this bill.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. WOLCOTT. If the agreements approved by the President are violated, then the violators come within the penalties and restrictions of the antitrust laws.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, in other words, the agreement goes out of the window and we are back where we started.

Mr. SPENCE. Absolutely, and the antitrust laws which have been on our statute books for almost 60 years, and all other restraints, limitations, and prohibitions of law in reference thereto are nullified.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I would like to ask the gentleman from Kentucky two questions, if he will permit me. No. 1. As I understand, the Federal Reserve Bank holds roughly \$22,000,000,000 worth of gold certificates or, let us say, the Federal Reserve Bank and the Treasury, and assume that the Treasury could transfer all the gold to the Federal Reserve and give them \$22,000,000,000, that then would be about 88 percent of the Federal Reserve notes now outstanding, to which I believe the gentleman from Michigan referred, thereby making that portion of the bill ineffective.

Mr. SPENCE. Absolutely ineffective.

Mr. CRAWFORD. Secondly, there is a provision here with respect to voluntary agreements on inventories. Would the gentleman agree with me that if you control my inventory you also control my price?

Mr. SPENCE. There is no doubt about that, and there would be no efficient controls on inventories.

The SPEAKER. The time of the gentleman from Kentucky has again expired.

Mr. SPENCE. Mr. Chairman, I yield myself one additional minute.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman has been on the Committee on Banking and Currency a long time. Has he ever known the Committee on Banking and Currency to bring a bill up in the House before under a gag rule?

Mr. SPENCE. I never have.

Mr. PATMAN. Although we had the OPA and all the other different controversial questions during the war, they always came up under an open rule.

Mr. SPENCE. Yes. That is true, and the Members had an opportunity to express their views and propose their amendments. Nero fiddled while Rome burned, and the majority party is now fiddling while the same kind of conflagration takes place. They have given the President a garden hose producing no water to control the flames.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. SPENCE. Mr. Speaker, I yield 6 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Speaker, I object to this bill on two primary grounds. First, we are sending a legislative straw man out to combat the menace of inflation, which will be absolutely useless in saving this country from that disaster.

In the second place, I object to a gag rule. It is not only a gag rule, but it is the most vicious form of legislative strait-jacketing to bring a bill of this great importance into the House to force the House to rubber stamp it. You take it or leave it. You cannot dot an "i" or cross a "t," and I object to that kind of

a process that gags the greatest legislative body in the world on such a highly controversial issue.

#### NO HEARINGS ON BILL

There were no hearings on this bill. We had hearings on inflation control but not one bit of testimony that goes directly to the heart of this bill was heard on the Federal Reserve section or on the voluntary allocation, so-called, method.

The majority in this House knows that they have the votes to vote any genuine inflation control bill out of this House if they care to bring it in under regular procedure. They control the majority votes of this House. Perhaps they do not want to subject this straw-man-bill to the light of day and let the country know how weak and insufficient and how burdensome in many of its provisions it might become.

They know that they have not got the two-thirds vote to pass this bill under suspension of the rules. It looks to me as if they are bringing this bill on the floor today purposely to kill it so that they can point the finger of blame at the Democratic Party. They know that this bill will look better dead than it will alive.

It seems to me that this is a well-staged drama of the murder of the Republican-produced straw man bill by the Democratic Party. I think in this process the majority party in the House underestimates the intelligence of the people of this country who know, and can read, and can understand what this bill contains, and what it does not contain.

#### NO PRICE REDUCTIONS

In the first place, the bill in its very language admits and says that no agreement can be made—now bear this in mind—that can have one bit of effect on lowering the skyrocketing prices in this country. Read that on page 3 and you get the real meaning of this bill.

In the second place, they come with a plea for so-called voluntary cooperation. This is a nice-sounding phrase, but under the high guise of voluntary cooperation we are permitting what are, I believe, called cartels, in harsh language, to operate by Government approval and Government rubber stamp.

The Government cannot amend, it cannot change, it cannot get anything in the public interest in these cartelized agreements for the allocation of scarce materials unless business wishes it.

The President can only approve. I read the bill and find there is no provision in its entire language to insure allocations in the public interest, geographical distribution, or equitable distribution among the various industries.

The voluntary agreement is voluntary only on those at the top, the biggest elements of our business. You will have involuntary allocation on the part of little business. Little business will suffer because this bill gives big business of this country the power under these voluntary agreements to deny under Government sanction raw materials to anyone. If industry agrees and if it can secure, through any means or misunderstanding, the approval by rubber stamp-



ing of the Government it can allocate scarce materials away from the places it is most needed and to where it is least needed. There is no enforcement in the public interest.

Yes, there are safeguards in the allocation bill the President has proposed because that turns approval over to the Justice Department, but by this you have given the power of compulsory allocation by voluntary agreement without such safeguards.

We were assured in the committee that the reason we did not have hearings was that we were going to the Committee on Rules on Friday and bring the bill in under the regular rule for proper debate and amendment.

Then, after the Democrats in committee cooperated to bring this bill up for discussion and amendment by the entire House, we learned Friday afternoon or Saturday that it would be brought in under suspension of the rules.

#### NO RENT-CONTROL PROVISIONS

This bill does two good things: It extends export controls, true, and it extends transportation controls. But bear in mind that these controls expire not now but on February 28. Yet the bill does not say anything about rent control, which happens to expire on the same day. There are thousands of tenants today that are being high-pressured into 15-percent rent increases, so-called voluntary increases, simply because the Congress has not yet indicated that it is willing to extend rent control, and they are seeking that little bit of protection an additional year's lease will give them.

As to this Federal Reserve proposition, no one knows for sure quite what it will do. The chairman says we are getting rid of our "cheap money policy." What does "cheap money policy" mean?

It means exactly that we are going to have higher interest rates. I think we should curb the speculative expansion of bank credit, but let us not put the interest rate up on the farmers and the little businessmen and the people who are generally producing goods. Let us not force this rate up.

Let us not gamble on the increase in the cost of handling the public debt perhaps by a billion dollars a year by forcing up the rates on Government borrowing, on the financing that we must carry on.

Let us bear in mind that one-half of our \$258,000,000,000 public debt must be refinanced within the next 5 years. Everyone that knows anything about this provision as to the gold reserve will tell you that its only effective influence will be to raise the interest rates, and that if the interest rates on governments go up one-half of 1 per cent you have increased the cost of carrying the public debt by more than \$1,000,000,000 a year, which must be added to the people's taxes.

Mr. O'TOOLE. Mr. Speaker, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from New York.

Mr. O'TOOLE. I wish to thank my colleague from Oklahoma for yielding to me. Otherwise, I would not have the opportunity to say anything on this legislation.

Ten days ago the Gallup poll announced that a recent survey conducted

by that organization showed that inflation and the high cost of living were the questions that the American people were primarily interested in. Every Member of this House is cognizant of the fact that when he goes back to his district the constant topic is the cost of living.

The Republican Party with its usual lack of interest in the small man and his problems has the nerve to bring this bill in this morning and endeavor to pass it with but 40 minutes allowed for discussion. Twenty minutes for the affirmative and 20 minutes for the negative.

The bill, itself, is a mockery. It does not attempt to solve the high cost of living or the control of prices. It is another creature of the National Association of Manufacturers.

I sometimes think that there are certain people who would rather close the Congress and substitute the board of directors of the National Association of Manufacturers as the deciding group for the making of laws and the deciding of the economic policies of this country.

Last year when controls were wiped out the very men who are sponsoring this measure this morning told the American people that prices would go down on food, clothing, and all of the other necessities of life. They were opposed to regimentation as they cutely called it, but this morning they stifle all debate so that the truth cannot be told. They fail to tell the American people that they have regimented our public into \$1.10 a pound meat, \$1.05 a pound butter, and \$1 a dozen eggs. They fail to tell you that the average American family has had to reduce the amount of meat, butter, eggs, and milk that they can give their children. They do not want it discussed on this floor that the average family of a man, wife, and two children whose breadwinner gets under \$65 a week can only give his family meat once a week. They do not want it brought to the attention of the public that the purchase of a suit in the average home today is a heavy financial problem. They do not want the people to be reminded that the so-called 15 percent optional rent increase that they wrote into the housing law is creating havoc and suffering throughout the United States. They do not want it expressed at this time that they have completely failed to face the housing shortage and have refused to even consider the Taft-Ellender-Wagner bill which would relieve the plight of hundreds of thousands of our poorly housed and unhoused citizens.

Today's stifling of debate is a black mark on the Republican Party and is a deep wound in the heart of democracy. It is indeed a sorry spectacle when the majority leader warns the Members of the House that unless they pass this nefarious bill the members will not be home for Christmas. Do the Members of this House mean to say that they are more anxious to return to their homes for Christmas than they are to face and debate the greatest problem that the country has? Are we to be respected and admired by the American people, or are we to follow the Republican leadership and be cowards failing to do our duty, failing to face the task, and failing to find a solution for questions that are

driving millions of our people to involuntary poverty?

I know that for myself I will vote against the adjournment of this Congress until the question of inflation, price control of foods and clothing, and the other economic issues are fairly debated upon this floor and I will further vote against the adjournment until such time as some solution to these problems is found.

Let me remind the gentlemen on the other side of the aisle that this country, too, faces a crisis and now is the time for statesmanship of the highest order.

Now is no time for the leadership of this House to threaten the body with the alternative that they must stay here or accept bad legislation.

Mr. MONRONEY. I agree with the gentleman perfectly. This is just an effort to force the Democrats to accept the blame and to kill a phoney straw-man bill.

Mr. SPENCE. Mr. Speaker, I yield 6 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, it is pretty hard for me to believe that the gentleman from Michigan [Mr. Wolcott] would have initiated this kind of procedure and have confirmed it if he had had his way insofar as time is concerned. As the gentleman from New York said, the polls of the country say that the people of the United States are more interested in inflation and the high cost of living than any other one thing. That is true in my opinion. The President of the United States came before the Congress and candidly and fully set out a program that he thought would curb inflation and bring down the cost of living. It is true there were long hearings on the general state of the Union, as the gentleman from Kentucky so well said, but not a word of hearings on this bill—on this particular bill. Someone asked me the other day when this bill was reported, and I had had an opportunity to look it over a little, I said that this great Committee on Banking and Currency had labored and brought forth three or four very small mice.

We would like the opportunity to discuss this bill, to offer amendments to this bill, to consider this greatest of all questions that is fretting the American housewife and everybody else today. But we are denied that opportunity. Until the bill is brought in and we are given the opportunity to consider legislation affecting this vital point, we are not going to be a party to this kind of procedure, and we are not going to be a party in enacting into law or starting on its way to be enacted into law this gesture.

Of course this extends export controls. We know that, even though you do not pass this thing today, you are not going to let export controls expire on the 28th of February. We know you are not going to allow transportation controls to expire on the 28th of February, it matters not what happens to this bill today. My friends, listen to the National Association of Manufacturers:

Parties to any agreement approved under this section are hereby relieved from the operation of the antitrust laws—



Do you think there is a period there? No, there is no period there, but there is a comma, and the bill continues further—

and of all other restraints, limitations, and prohibitions of law.

The National Association of Manufacturers had 12 points, but that is the one they are interested in most, and practically to the exclusion of all others. This thing about money is in here. Suppose we do that. Suppose we freeze something, and our economy is shaken in one of these days not far distant—a year from now or perhaps 2 years from now—when an expansion of the currency would be vital to the prosperity and hope of the country, we would have to pass another bill. Well, maybe we could not do it.

Let us vote down this motion to suspend. These gentlemen over here are getting some taste of legislative responsibility. If they are willing to bring in a gesture like this and stand upon it as their answer to inflation and to the high cost of living, we are willing to let you have it. If you are going to say because we do not vote for this thing that you will bring in nothing else, that is your responsibility; not ours.

The SPEAKER. The time of the gentleman from Texas [Mr. RAYBURN] has expired.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was granted permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Speaker, the Wolcott bill, House Joint Resolution 273, is definitely patterned after the NRA. The Republican leadership stresses that the Wolcott bill provides for voluntary agreements by persons engaged in trade and industry to carry out the purposes of the measure. The NRA Act provided identically the same thing.

It authorized the President to enter into and "approve voluntary agreements" between and among persons engaged in trade or industry; to carry out the alleged purposes of that act.

The Wolcott bill authorizes the President to consult with representatives of industry, business, and agriculture with a view to "encouraging" the making by persons engaged in industry, business, and agriculture of "voluntary agreements" to control transportation facilities, to control the weights at which livestock and poultry can be marketed, and the use of grain; to ration whatever commodities the President deems to be in short supply and which affect the cost of living or industrial production; and to regulate speculative trading.

Then as a sure catch-all, the President is authorized to enter into agreements which he believes will aid in stabilizing the economy and curbing inflationary tendencies.

What would there powers not embrace?

The NRA required approval by the President before any agreement could be put into effect. The same is provided in the Wolcott bill. Experience with the NRA showed that the President virtually dictated the terms of agreements. It

would of course be the same with the Wolcott bill, should it pass.

The alleged purposes of the NRA Act were different from those provided by the Wolcott bill but the political machinery and powers for putting the respective purposes of the two measures into effect are the same.

True, the NRA Act provided compulsions that are absent in the Wolcott bill. It is, nevertheless, a fact that the NRA was sold to the country on the idea that it was a voluntary proposition. Nor was it the compulsory provisions that gave the NRA force.

The thing which did give it force was the exploitation by the New Deal of the misery and distress of our people incident to the depression. It was this that made the brutal coercion, the hounding, and the boycotting of those who preferred not to comply with and display the NRA eagle.

So, likewise, the administration, regardless of which party was in power, would exploit the prevailing sentiment against the evils of excessively high prices, shortages, and so forth to carry out the provisions of the Wolcott bill.

The fact is that the Wolcott bill is written on the assumption that agreements between industry to do the things proposed in it are not only a necessity, but a dire necessity.

The proposal is based on the further assumption that it will be the duty of persons engaged in trade and industry to make the agreements provided. Back of all the palaver about the program being voluntary is the knowledge possessed by the Washington lawmakers that if firms engaging in industry and trade should fail to play ball with them they could use persuasion, and, should that fail, they could fall back upon more law.

Of course, enterprisers are just as aware of this fact as the lawmakers. In the very nature of things the enterprisers are helpless and become just so much clay in the hands of the lawmakers. The NRA operated precisely on this theory.

Should this bill pass, the extent to which the NRA will be revived will depend upon the extent to which the New Deal regime puts the law into operation.

As all should remember, the operation of the NRA caused serious deterioration of the economy and the national morale. That was when our institutions still rested upon a fairly sound basis. Today, however, the foundation of the national economy, finances, and incentive is honeycombed with political corruption, so that the revival of NRA at this time would have a much deleterious effect upon the country than it originally had.

Considering the highly diseased condition of our social body, the Wolcott bill, if enacted into law, will directly play into the hand of the regime now controlling the Government to carry out its avowed purpose of completely making this Nation into the police state. Inherent in the Wolcott bill are contained, for practical purposes, all the powers the President has been asking for.

The New Deal forces refuse to accept the powers proposed in the Wolcott bill because they feel confident of being able to put through the lend-lease program

called the Marshall plan. That would create conditions which would practically assure them of being able to put through their own control program.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. COLE].

(Mr. COLE of Kansas asked and was given permission to revise and extend his remarks.)

Mr. COLE of Kansas. Mr. Speaker, House Joint Resolution 273, considered by the House today under a rule which permits no amendments, provides for compulsory price control, and rationing of livestock, poultry, and grain.

As usual, the farmer is the scapegoat for the inflation argument, and he is being told this is a voluntary program.

The bill permits the making of agreements, providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain.

Who will enter into such agreements? The packers, with the advice, suggestion, and approval of some bureaucrat here in Washington will agree.

Someone here in Washington, then, will determine the most efficient utilization of grain, and the farmer will be bound hand and foot. His market will disappear for weights and grades other than those approved by government.

So, the program is not voluntary for the farmer.

In spite of the prohibition against the fixing of prices, these agreements would determine the price of livestock, poultry, and grain. By accepting only approved weights and grades, the buyer thus manipulates the price. As grain prices are interwoven with livestock prices, so would they be affected and fixed.

My objection to this part of the proposed legislation, therefore, is that if it is to be effective, it will be a strait-jacket for the farmer. The Government experimented with efficient utilization of grain in its late lamented poultryless Thursdays. The example is not encouraging.

Before we indulge in too much loose talk about the prosperous farmer and the high cost of food, let us look at the record:

In only two periods in recent history, 1916-20 and 1941-46, has the American farmer, as a class, made a profit on his business, which consists essentially of a gigantic gamble against the weather. The price solution in 1921 was to trim by half the income of this group, while trimming the cost of living by less than a quarter. Is this to be the price solution of 1948? If it is, it might be well to remember that the farmer experienced a depression from 1921 to 1941 that caught up with the rest of America in 1930.

I am attaching supporting data on farm prices and the cost of living.

Actually, so long as our leaders persist in advocating price control for farm products and farm products alone, they will be well advised to desist from propaganda and repressive legislation aimed at a specific class and begin praying for rain. A good world crop in 1948 will bring back \$2 wheat; another such crop



in 1949 might bring \$1 wheat; a third such crop would produce a surplus that would bring joy only to a frankly paternalistic government.

*Supporting data on farm prices and cost of living*

SERIES A, 1913 BASE

Year	Farm prices	Cost of living <sup>1</sup>
1913.....	100	100
1914.....	100	101
1915.....	97	102
1916.....	117	110
1917.....	173	130
1918.....	200	152
1919.....	211	176
1920.....	209	202
1921.....	124	180
1922.....	131	169
1923.....	141	172
1924.....	142	173
1925.....	154	177
1926.....	144	179
1927.....	138	175
1928.....	148	173
1929.....	145	173
1930.....	125	169
1931.....	86	154
1932.....	64	139
1933.....	69	132
1934.....	89	137
1935.....	107	141
1936.....	113	142
1937.....	120	147
1938.....	94	145

SERIES B, 1926 BASE

Year	Farm prices	Cost of living <sup>1</sup>
1938.....	68	77
1939.....	52	79
1940.....	52	80
1941.....	95	94
1942.....	114	101
1943.....	124	103
1944.....	127	105
1945.....	132	107
June 1946.....	142	113
December 1947.....	182	206

<sup>1</sup> Wholesale commodity index.

<sup>2</sup> Estimate.

Source: Bureau of Labor Statistics.

Mr. REES. Mr. Speaker, I shall oppose the pending resolution. First, because I do not think legislation of such importance and Nation-wide interest and controversy should be brought to the floor under suspension with no chance for an amendment and only 40 minutes' debate. This bill should be considered in the regular order. There should be reasonable time for debate and there should be chance for amendments by those who want to submit them. I hope this committee will follow this procedure in the event it fails to pass as now submitted.

I think practically everybody is in favor of the declaration in the resolution, which reads as follows:

The purposes of this joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities which basically affect the cost of living or industrial production.

Section 2 of the bill provides among other things that the "President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements."

It is with respect to part 2 of this section that I cannot go along, where it

says that such agreements may be entered into "providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain."

Let it be understood I am in favor of providing for the marketing of livestock at weights and grades that represent the most efficient utilization of grain, but I just do not see how, in view of the various kinds and grades and qualities of livestock including hogs and cattle and sheep, that you can make agreements for feeding that will be practical and will really work.

Cattle, for example, are fed in different parts of the country where different kinds and quality of feed are used and cattle vary in ages and sizes and quality. One grade of cattle requires more grain. Another grade will require less.

The problem and procedure is so complicated that it would be most difficult to enter into a practical agreement, so instead of having more meat to take care of the scarcity that is bound to come, we will have less.

It is my understanding the Congress wants to encourage more and more production of food. This procedure, in my judgment, will provide less meat at more expensive prices.

I want to make this further observation that this section of the bill with regard to livestock may result in an agreement with the large meat packers of this country so that instead of having voluntary agreements with the livestock producers, farmers, and feeders, it may result in nothing more than an agreement among the meat packers of this country to set prices on livestock without affording an opportunity for free competition on the open market.

Let me say again that the way to reduce prices with respect to farm products is to provide more rigid export controls and then offer every possible inducement to the farmers and livestock producers to increase production of agricultural products of all kinds.

I think too that a great deal can be accomplished by providing better transportation facilities and I want to add too that if the farmers of this country can have more machinery and more fertilizer and other things that are needed to get the job done, they are willing to put in their time and overtime in an effort to see that production requirements are met.

Of course, we do not want spiraling, inflationary prices, but I do not believe the legislation in its present form will accomplish the purposes for which it is intended.

I suggest that the committee bring the proposal to the floor under open rule so we may be given a chance to offer amendments and then write legislation, if possible, that will deal directly with the serious problem of inflation, which after all affects all people in this great country of ours.

Mr. HESELTON. Mr. Speaker, I have received today a letter from the Governor of Massachusetts, Hon. Robert F. Bradford, containing his recommendations in an effort to solve the critical situation in New England arising from the shortage of fuel oil in that area.

One recommendation is as follows:

Prompt enactment of legislation by Congress authorizing oil distributors in Massachusetts to pool their information and supplies during this emergency just as they did during the war, without any violation of the antitrust laws. The bill which the Massachusetts delegation indicated was pending in Congress to enable the members of any industry in an emergency to file a voluntary agreement for joint action and to be protected against the antitrust laws when acting within the scope of the agreement after its acceptance by the Federal Government, would seem to me to meet the situation. I hope it can be put through as speedily as possible.

I would like to ask the chairman of the committee if the provisions of House Joint Resolution 273 would permit such pooling of information and supplies by oil distributors as recommended by Governor Bradford.

Mr. WOLCOTT. Yes. It definitely takes care of that situation. I refer to language on page 3 of the committee's report which says:

To encourage consultations and agreements which might be an aid in the stabilization effort, the joint resolution provides that parties to any such agreement approved by the President or whomsoever he might designate shall be relieved from the operation of the antitrust laws and all other restraints, limitations, and prohibitions of law with respect to the making of such agreements.

Mr. BUFFETT. Mr. Speaker, I would have liked to vote for House Joint Resolution 273. Not only considerations of party regularity prompted that desire, but also because of section 6 in the measure. Section 6 would restore the pre-1945 gold reserve ratios to the Federal Reserve System. That appears to be an important step towards sound money, and as such it seems desirable. But actually it would have no immediate effect—except a possible psychological effect.

Mr. Speaker, there is one action that Congress can take on high prices that would be worse than no action at all.

That would be to pass so-called anti-inflation legislation that does not deal effectively with rising prices. Outside of section 6 this resolution seems to be designed to fool the people into thinking that Congress is doing something substantial to stop the rise in prices.

This attempt seems to follow the pattern set by the President, whose inflation remedies appear as largely political moves calculated to make the Republican majority the goat for New Deal inflation.

Should we in Congress join the President in a buck-passing contest to fool the people? In such a contest we cannot win. Let us instead be honest and forthright with the people. And if we follow that course the administration cannot successfully compete with us.

Mr. Speaker, section 2 of this bill provides for voluntary agreements in industry covering many phases of business. I must admit that I cannot imagine how this new-fangled NRA will work out. But I do know that its dangerous monopoly possibilities do not get at the root causes of inflation.

Furthermore, such legislation on our part would reinforce and accentuate the propaganda that industry was responsi-



ble for inflation and high prices. The CIO and left-wing elements generally would welcome congressional action that indirectly declares that high prices are caused by industry and business.

Having such a misleading impression made respectable by congressional action is not in the public interest.

The section relating to export controls is included, I suppose, also for psychological reasons. Talking control of exports at a time when hundreds of millions are being appropriated to prolong the most fantastic export boom in our peacetime history sounds like humbug or something worse.

In the 10 years from 1922 through 1931 our total net exports amounted to \$6,811,000,000.

For the first 10 months of 1947 net exports totaled \$7,511,000,000. This outpouring is larger than a 10-year total that took in most of the lush export years of the twenties—and helped bring on the 1929 crash.

Mr. Speaker, if my party is ready to move constructively to put the brakes on high prices, the opportunity is within their grasp. All that needs to be done is for the responsible Republican leadership to announce that consideration of the multibillion hand-outs proposed in the Marshall plan is to be postponed until our own house is in order.

Let the word go out to the country that the Marshall price-spiraling hand-out proposal is on the shelf, and most high prices would start to skid before sundown.

Mr. Speaker, as long as record exports continue, the inflation accelerator is being pushed to the floorboard.

Congress must take some genuine action on inflation quickly if a domestic crisis is to be avoided. But this bill does not meet that responsibility.

It is largely cast in the same pattern of political expediency as the President's program. Congress cannot compete with the President successfully in the patent-medicine field, and we will discredit ourselves if we try to do so.

This resolution should be defeated and Congress should get to work on the genuine inflation correctives: First, suspension of gigantic hand-out exports; second, reduced Federal expenditures generally; third, tax relief to spur production; and fourth, legislation to restore the gold-coin standard.

Mr. KEFAUVER. Mr. Speaker, I wish to protest, with all the resources at my command, against the passage of House Joint Resolution 273, a bill "to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes." The title sounds good but it is a phony.

Not content with destroying OPA and with refusing even to restore selective price controls, monopoly interests and their Republican spokesmen in Congress have now seen fit to strip from the consumer the last shreds of protection which he possesses against the rapacity and greed of monopoly business.

With the exception of the unhappy days of the late unlamented NRA the consumer since 1890 has always had in

peacetime the protection of the antitrust laws which one noted Republican, Mr. Justice Holmes, once termed our "charters of economic liberty." During the war the antitrust laws were relaxed, but price control was substituted in their place. Now, with the passage of this bill, the consumer is going to be without the protection of either the antitrust laws, price controls, or anything else. The lamb has been made ready for a shearing which he will long remember.

In all of my experience in Congress I have never witnessed such a brazen, bald-faced and undisguised exhibition on the part of monopoly business. Generally, its opposition to the antitrust laws has been smooth, sophisticated and indirect. The spokesmen of big business have usually seen to it that the effectiveness of the antitrust laws has been—shall we say "limited" by such unpublicized maneuvers as refusing to give the antitrust agencies sufficient funds or refusing to close the wide-open loopholes in the laws that have been created by judicial interpretation.

But now the opponents of the antitrust laws have put their cards on the table; they have come out in the open; they are saying to us, "Just do away with the antitrust laws, and prices will come down."

Mr. Speaker, does not that invocation have a familiar ring? Have we not all heard it sometime before? Unless my memory is sadly mistaken, I seem to recall full-page advertisements on the part of certain business organizations, and innumerable speeches by my esteemed Republican colleagues to the general effect, "Just do away with price controls, and prices will come down." The substitution of the term "antitrust laws" for the term "price control" does not make an incorrect argument any less fallacious. The simple part of the matter is that monopoly business wanted price controls eliminated and Congress obliged by eliminating OPA. Now it wants the antitrust laws eliminated. Is Congress going to oblige it again?

The only other occasion during peacetime when the antitrust laws were relaxed was during the period of the NRA. Big business came down to Washington in droves; they wrote the infamous NRA codes, which not only fixed prices but restricted production, divided up territories and accomplished every economic objective which had been specifically prohibited for nearly half a century by the antitrust laws. It will be recalled that the NRA codes of big business were so antagonistic to the American spirit of free enterprise that they had fallen into disrepute and disuse well before they were declared to be legally unconstitutional.

Today, we are being asked to permit the same type of activities that took place during the NRA. There is, however, this one important exception—the purpose of relaxing the antitrust laws under the NRA was to get prices up. Now we are told that these same laws must be relaxed but for the opposite purpose of getting prices down.

Is there anyone so naive as to believe that when monopoly business is permitted to get together and fix prices,

limit production, divide up markets, etc., that their motives will only be those of trying to help the poor consumer? When the cigarette companies during the early thirties conspired to fix the prices of cigarettes, did they conspire to fix them upward or downward? We all know the answer—the price of cigarettes soared at the very same time that the poor farmer was receiving the lowest price in history for his tobacco. When the General Electric Corp. and other big businesses conspired to fix the price of tungsten carbide, did the price fall or did it rise? The record indicates that it promptly rose more than 10 times. Every antitrust suit reveals the same answer; monopolies always conspire to raise prices and never to reduce them, except for the deliberate purpose of eliminating smaller competitors, after which prices are raised to new heights.

Actually there is no reason under the sun why big business must be permitted to get together in order to reduce prices. What is to prevent any firm at the present time from reducing prices? In a free economy that is the right of every producer? When Henry Ford reduced the prices on his automobiles during the twenties—an action which electrified the world—did he have to conspire with General Motors and the other automobile firms in order to put his price reductions into effect? The absence of any necessity to conspire in order to reduce prices suggests that there are other motives than price reduction behind this proposed emasculation of the antitrust laws.

Mr. Speaker, I defy any Member in this House to cite a single illustration of a conspiracy by big business which resulted in lower prices to the consumer. Yet, though no such illustration can be cited, we are now asked to enact a law based upon the assumption that this is the ordinary outcome of such conspiracies. The incredible is becoming the fantastic and the fantastic is becoming the law.

That it is clearly the purpose of this bill to throw the antitrust laws out the window is apparent from even a cursory analysis of its provisions. I call your attention to section 2 which provides that parties to agreements designed to achieve any one of five different purposes "are hereby relieved from the operation of the antitrust laws, and of all other restraints, limitations, and prohibitions of the law."

Now what are these five purposes? The first four are fairly specific, relating respectively to the allocation of transportation facilities and equipment, the marketing of livestock and poultry, the allocation and inventory control of scarce commodities and the regulation of speculative trading on commodity exchanges. But the fifth purpose is the joker. Section 2 (a) (5) includes agreements which will otherwise carry out the purposes declared in section 1 of this joint resolution.

Now, what are the purposes declared in section 1? Turning over to section 1 we find that its purposes are as wide as from here to the moon. Specifically, that "the purposes of this joint resolution are to aid in stabilizing the economy



of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities which basically affect the cost of living or industrial production." If there are any general, catch-all phrases which are not included in that sentence, I do not know what they are.

It is obvious that practically any monopolistic agreement can be rationalized on the grounds set forth in these catch-all phrases. What is the "orderly" and "equitable" distribution of goods and facilities? What is the "maldistribution" of goods and facilities? Since the bill fails to set forth any standards or definitions of these loose and wide-open terms, it must be assumed that they can cover practically any type of monopolistic agreement which the mind of man is capable of devising.

Proponents of the bill have cited, as proof of their laudable intent, to retain some vestige of the antitrust laws, the qualifying phrase in section 2 (b) that the bill specifically prohibits "any agreement which provides for the fixing of prices."

But this, as is known by anyone who has studied the antitrust laws, is nothing more than a gesture. Most of the really effective conspiracies and agreements in restraint of trade are designed to achieve a higher level of prices, not through the simple means of direct price fixing, but, rather, through the more effective and indirect methods of restricting production, dividing up markets, limiting capacity, and so forth. Provisions in the proposed bill which would maintain the unlawful status of these practices are conspicuous by their absence.

Yet, as we look into the future, we must recognize that in many industries demand will probably begin to catch up with supply within the next year or so. As that takes place monopolies everywhere will try to get together and limit production in order to keep prices high. Significantly enough, the stated purpose of the bill is to aid in the stabilization of commodity prices. But stabilization at what level? This will be known as stabilizing the economy. For example, I know of many industries in which prices are now 100 percent or more above prewar levels. I can readily understand the desire on the part of the monopolistic firms in such industries to be satisfied with a stabilized price which is 100 percent or more above prewar levels. This would be particularly true of those industries in which demand is beginning to catch up with supply; in which competition is beginning to break out; and in which the big firms are afraid that some of their smaller competitors may seek to obtain a larger share of the market by the sound American method of reducing prices. In order to forestall such an eventuality, the monopolists will naturally endeavor to get together with their small competitors and agree on a restriction of production which will be satisfactory to all and which will maintain prices at levels which are fantastically above prewar figures.

In short, Mr. Speaker, the real purposes behind this bill are revealed by these two facts: First, the inclusion of the catch-all phrases in section 1 as one of the bases for obtaining an exemption from the antitrust laws; and, second, the failure to include in section 2 not only a prohibition against agreements providing for price fixing, but also a prohibition against agreements providing for the restriction of production, the division of markets, territories, and so forth.

Mr. Speaker, in concluding, I want to call your attention to the very solemn and disturbing fact that in every one of the other industrialized nations of the world, the prelude to the advent of collectivism has been the renunciation of the antitrust laws or their rough equivalent in the common law.

This happened in Germany, Great Britain, and France. Are we going to follow their example? Are we going to abolish the last guarantees of freedom in the economic world?

Mrs. DOUGLAS. Mr. Speaker, House Joint Resolution 273 which we have before us has been reported to the House under a suspension of the rules—a gag rule that prevents this Congress, the greatest legislative body in the world, from amending this bill to meet the needs of our people—to take positive steps to curb inflation.

Twenty minutes has been allotted on either side of the aisle to discuss a matter that strikes at the very heart of our economy.

The Republican leadership has made it very clear that this bill is not intended to control prices. But that is what the President has asked for—measures that will control prices.

The President has asked for powers to curb inflation and the Republican leadership has given him the power in this bill to sit around and talk about inflation.

House Joint Resolution 273 is quite in line with Republican thinking: Let us have chaos rather than orderly controls if chaos means high profits for a few.

We are in trouble today—grave economic trouble because we removed price controls before it was safe to do so. No one likes to talk about price controls today. But the fact remains that we were not out of the woods when we removed them. If we do not recognize this fact, we cannot save ourselves now. The President has asked this Congress to correct past mistakes and to act while there is still time. He has had his answer and the answer is a flat refusal—no.

The Republicans' one driving goal since VJ-day has been to scrap all controls. The Republican argument, of course, has been that of the National Association of Manufacturers. "Remove price controls on manufactured goods and production will step up fast. Goods will then pour into the market and, within a reasonable time, prices will adjust themselves naturally—as they always have—in line with the real worth of things."

The Republican argument inspired by NAM propaganda has proven unsound. The American people have paid to the tune of billions of dollars because the Re-

publicans aided by a few Democrats had their way.

The NAM philosophy prevailed.

Prices haven't come down. They have gone steadily up—prices of food and clothing and now rent. The rising waters of inflation are engulfing the low and middle income groups in this country.

There is still time if we will act. But, if this bill is the only answer the Republicans can give to inflation and high prices, it is clearly evident that they have no intention of putting on any brakes that will in any way curtail prices and cut down the cost of living. I have today introduced a tax bill that seeks to do just that. But this bill before us proposes no such remedy. The Republicans are still defending an indefensible position.

Corporate profits after taxes for the first half of 1947 were at an annual rate of \$17,000,000,000—more than 67 percent above the profits of banner war year 1943. The danger is that although profits are at a \$17,000,000,000 level after taxes, the volume of business transacted clearly indicates that the consumer is being priced out of the market. The Nation must be protected against peacetime profiteers, who if allowed to continue unchecked will wreck our economy. The Republicans' answer is a resolution that proposes that we sit around and talk. Talk at this point is very expensive. What we need is not talk but action. It is long past the hour for shadow boxing.

The Republicans have never shown concern over high prices. They do not show concern today. The American people are concerned, however. Every day they go to the market the economic facts of life are borne home.

But the Republican Party is not the party of the people—it is the party of big business. No bill ever high lighted that truth more than the one before us today—House Joint Resolution 273.

No wonder no hearings were heard on House Joint Resolution 273. A review by the Banking and Currency Committee of the state of the Union won't help if Republican leadership refuses to use legislative power to protect the Union. Removing corporations from the antitrust laws won't solve our problems, either.

If this is the Republican answer to inflation and prices, I raise my voice with that of the gentleman from Texas [Mr. RAYBURN] and answer "No"; I cannot and will not support any such empty gesture.

Mr. KEATING. Mr. Speaker, the No. 1 domestic problem is the high cost of living. This bill, although admittedly only a partial answer to the problem, is an attempt to give the President part of the powers he has requested.

The spokesmen for the administration, who appeared before the Banking and Currency Committee, advocated the very provisions which are incorporated in this measure. The chairman of the committee has frankly stated that hearings will be continued on the more controversial features immediately after we reconvene and further legislation will be submitted to us. Certainly we should speed the



passage of that part of the program on which there is agreement.

Opposition to this measure only lends emphasis to the claim of those who contended that the President was not serious when he asked for these powers. Now we try to give a part of them to him and the representatives of his party oppose the legislation. It looks to me suspiciously like playing politics with the meat and potato on our tables.

Mr. RAYBURN. Mr. Speaker, without taking it out of the time of the gentleman from Michigan, would the gentleman ask that all Members be given the privilege of extending their remarks?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I yield the remainder of the time of the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, on September 29 the President had a meeting of the congressional leaders, and then proposed a program for aid to Europe. Subsequently we were called back, and the President announced the call for a special session. In addition to aid to Europe we were asked to do something about prices. Of course, that came as something of a surprise, because there had been no forewarning about it.

Subsequently the President sent here a message in which he outlined 10 points that he wanted adopted. The Banking and Currency Committee went to work immediately with hearings. There were no bills introduced. No specific proposals were made by the administration. As a matter of fact, as the hearings progressed, both on this side and on the other side, it became apparent that there had been no meeting of the minds in the administration as to just what they wanted. They were in complete confusion and disagreement.

Now, the Banking and Currency Committee, Republicans and some Democrats joining, wanting to meet the responsibilities of the country, reported out this bill to do something about prices.

I want to talk to my friends on the Democratic side of the aisle—and let me say we hear a lot about cooperation between the executive and legislative branches of the Government. We have enacted the aid bill which the President asked for. Right now we are in the process of enacting legislation that will give to the President a considerable number of the things that he asked for in his message. If you vote against this bill you are voting against the things that the President asked for. One of the things that he wanted, and Mr. Harri-man came up and testified about it, was voluntary control. That is in this bill. The gentleman from Texas [Mr. RAYBURN] refers to transportation. I direct his attention to the fact that the bill contains provisions for much wider voluntary control of transportation and fa-

cilities than is contained in the present ODT Act.

Obviously, if the Congress had undertaken to legislate on the subject matter of all things contained in the President's message, no action at all could be had before this session is adjourned. It has been agreed generally and understood on both sides of the aisle that we will conclude here on next Friday, the 19th of December, not just in order that the Members may just go home for Christmas, but when you run much beyond that, whatever is to be gained by action at this session would not be much as against action taken in January. I understood from the administration spokesmen, however, that they wanted some of these things acted on in this special session and that is what we are attempting to do. As a matter of fact, this proposal contains about all the propositions for powers sought for immediate use.

Reference has been made to this procedure. The rules of the House have for a long time provided that suspensions are in order on the last 6 days of a session. Why is that? It is to bring about the accomplishment of legislation in the closing days of a session, and that is exactly what we are doing now. We all know that if this legislation is to be enacted it must go to the other body, run the gamut of committee hearings there, then go to the floor of the other body, and we all know that the rules of debate over there are such that one could not expect action without considerable debate.

You on the Democratic side say you want this bill brought up under an open and liberal rule. Let us see what that would have meant? It would have meant that there would have been long debate, I take it, in general debate, and then a reading of the bill with all sorts of amendments both to add to and to strike out. You might as well recognize the fact if that course were adopted there is little likelihood that there would be any legislation this session. That is the reason I say the responsibility is yours. You either are going to go along with a proposal that is a beginning, that contains a number of the points the President asked for, points argued for by members of his administration, or you are not. No one asserts that this is a complete answer, but it is an effective beginning. When we get back here in January other matters that will be proposed, and can be proposed, can be considered.

I say to you in all sincerity, however, that if you vote against this resolution here today you have almost surely killed anything in the way of control of inflation or prices at this special session of Congress. That is no willful determination on the part of anyone who carries any responsibility for the legislative program here; it is just a matter of common sense. If you vote this down and it is necessary to bring in a rule, and then there is debate pro and con, you know we would have trouble getting the bill out of here this week and would probably not get it out until next week. Under those circumstances I appeal to my friends on the Democratic side of

the aisle. This procedure has been adopted in definite realization of the very obvious fact that should be apparent to everyone, that if this measure is not gotten over to the other body today to start through the works over there, there is practically no chance for any legislation. This is not any sharp practice. As I said, spokesmen for the administration who were supposed to state the reasons why they wanted compulsory controls did not know just what they wanted. As pointed out by the gentleman from Michigan, they did say that they wanted certain powers to put into effect voluntary controls. The President got a little confused about the antitrust law. I am making no recrimination there, but the fact of the business is that his own Secretary of Commerce had been up here and asked for the very thing that is in this bill as a part of the program. So I urge upon you to support this measure and do something for the people of this country who are demanding that something be done about high prices and inflation.

The SPEAKER. The time of the gentleman from Indiana has expired; all time has expired.

The question is, Shall the rules be suspended and the bill passed?

The question was taken; and there were—yeas 202, nays 188, not voting 43, as follows:

[Roll No. 145]

YEAS—202

Allen, Calif.	Dondero	Kearns
Allen, Ill.	Eaton	Keating
Anderson, Calif.	Ellis	Kilburn
Andresen,	Ellsworth	Knutson
August H.	Elsasser	Kunkel
Andrews, N. Y.	Elston	Lardis
Angell	Engel, Mich.	Latham
Arends	Fellows	LeCompte
Arnold	Fenton	LeFevre
Auchincloss	Fletcher	Lewis
Bakewell	Foote	Lodge
Banta	Fuller	Love
Barrett	Gallagher	McConnell
Bates, Mass.	Gamble	McCowen
Beall	Gavin	McCulloch
Bender	Gearhart	McDowell
Bennett, Mich.	Gillette	McGarvey
Bennett, Mo.	Gillie	McGregor
Bishop	Goff	McMahon
Blackney	Gcodwin	Mack
Boggs, Del.	Graham	MacKinnon
Bolton	Grant, Ind.	Macy
Bradley	Griffiths	Maloney
Bramblett	Gross	Martin, Iowa
Brehm	Gwinn, N. Y.	Mathews
Brown, Ohio	Hagen	Meade, Ky.
Buck	Hale	Morrow
Burke	Hall	Meyer
Butler	Edwin Arthur	Michener
Byrnes, Wis.	Hall	Miller, Md.
Canfield	Leonard W.	Miller, Nebr.
Carson	Halleck	Mitchell
Case, N. J.	Hand	Muhlenberg
Case, S. Dak.	Harness, Ind.	Mundt
Chadwick	Harvey	Nicholson
Chenoweth	Herter	Nixon
Chiperfield	Heseltan	Norblad
Church	Hess	Patterson
Clason	Hill	Phillips, Calif.
Clevenger	Hoeven	Phillips, Tenn.
Cole, Mo.	Holmes	Ploeser
Cole, N. Y.	Horan	Plumley
Corbett	Jackson, Calif.	Potter
Cotton	Jenkins, Ohio	Poulson
Coudert	Jenkins, Pa.	Ramey
Crow	Jennings	Reed, Ill.
Cunningham	Jensen	Reeves
Curtis	Johnson, Calif.	Rich
Dague	Johnson, Ill.	Riehlman
Davis, Wis.	Johnson, Ind.	Rizley
Dawson, Utah	Jones, Wash.	Robertson
Devitt	Jonkman	Robson
D'Ewart	Judd	Rockwell
Dirksen	Kean	Rogers, Mass.
Dolliver	Kearney	Rohrbough



Ross	Smith, Maine	Vail
Russell	Smith, Wis.	Van Zandt
Sadlak	Snyder	Vorys
St. George	Stefan	Vursell
Sanborn	Stevenson	Wadsworth
Sarbacher	Stockman	Welchel
Scott, Hardie	Sundstrom	Welch
Scott,	Taber	Wigglesworth
Hugh D., Jr.	Talle	Wilson, Ind.
Scribner	Taylor	Wolcott
Seely-Brown	Tibbott	Wolverton
Shafer	Tollefson	Woodruff
Short	Towe	Youngblood
Simpson, Pa.	Twyman	

## NAYS—188

Abernethy	Gossett	Multer
Albert	Granger	Murdock
Almond	Grant, Ala.	Murray, Tenn.
Andersen,	Gregory	Murray, Wis.
H. Carl	Hardy	Norrell
Andrews, Ala.	Harless, Ariz.	Norton
Barden	Harrison	O'Brien
Battle	Havener	O'Hara
Beckworth	Hays	O'Konski
Bell	Hedrick	O'Toole
Blatnik	Heffernan	Pace
Bloom	Hendricks	Passman
Bonner	Hobbs	Patman
Boykin	Hoffman	Peden
Brophy	Hollifield	Peterson
Brown, Ga.	Hope	Pfeifer
Byson	Huber	Philbin
Buffett	Hull	Pickett
Bulwinkle	Jackson, Wash.	Poage
Burleson	Jarman	Preston
Byrne, N. Y.	Javits	Price, Fla.
Camp	Johnson, Okla.	Price, Ill.
Cannon	Johnson, Tex.	Priest
Carroll	Jones, Ala.	Rains
Chapman	Jones, N. C.	Rankin
Chelf	Karsten, Mo.	Rayburn
Clark	Kee	Reedden
Cole, Kans.	Keefe	Rees
Combs	Kefauver	Regan
Cooley	Kennedy	Richards
Cooper	Keogh	Riley
Cox	Kerr	Rogers, Fla.
Cravens	Kilday	Rooney
Crawford	King	Sadowski
Crosser	Kirwan	Sasser
Deane	Lane	Schwabe, Mo.
Delaney	Lanham	Schwabe, Okla.
Dingell	Larcade	Sheppard
Domengeaux	Lea	Sikes
Donohue	Lemke	Simpson, Ill.
Dorn	Lesinski	Smathers
Doughton	Lucas	Smith, Kans.
Douglas	Ludlow	Smith, Ohio
Durham	Lusk	Smith, Va.
Eberhart	Lyle	Spence
Elliott	Lynch	Stanley
Engle, Calif.	McCormack	Stigler
Ewins	McMillan, S. C.	Stratton
Fallon	McMillen, Ill.	Teague
Feighan	Madden	Thomas, Tex.
Fernandez	Mahon	Thompson
Fisher	Manasco	Vlazon
Flannagan	Mansfield	Walter
Fogarty	Marcantonio	West
Folger	Mason	Wheeler
Forand	Mcade Md.	Whitten
Fulton	Miller, Calif.	Whittington
Garmatz	Miller, Conn.	Williams
Gary	Mills	Wilson, Tex.
Gathings	Monroney	Winstead
Gordon	Morgan	Wood
Gore	Morris	Worley
Gorski	Morton	Zimmerman

## NOT VOTING—43

Allen, La.	Davis, Tenn.	Morrison
Bates, Ky.	Dawson, Ill.	Nodar
Bland	Drewry	Owens
Boggs, La.	Gwynne, Iowa	Potts
Brooks	Harris	Powell
Buchanan	Hart	Rabin
Buckley	Hartley	Reed, N. Y.
Busbey	Hébert	Rivers
Celler	Hinshaw	Sabath
Clements	Jenison	Scoblick
Clippinger	Kelley	Somers
Coffin	Kersten, Wis.	Thomas, N. J.
Colmer	Klein	Trimble
Courtney	Lichtenwalter	
Davis, Ga.	McDonough	

So, two-thirds not having voted in favor thereof, the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Reed of New York and Mr. Coffin for, with Mr. Hébert against.

Mr. Thomas of New Jersey and Mr. Jenison for, with Mr. Klein against.

Mr. Lichtenwalter and Mr. Busbey for, with Mr. Boggs of Louisiana against.

Mr. Hartley and Mr. Potts for, with Mr. Davis of Georgia against.

Mr. Nodar and Mr. Scoblick for, with Mr. Trimble against.

General pairs until further notice:

Mr. Clippinger with Mr. Harris.

Mr. Hinshaw with Mr. Buchanan.

Mr. McDonough with Mr. Rivers.

Mr. Owens with Mr. Colmer.

The result of the vote was announced as above recorded.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD—

Mr. WOLCOTT. Mr. Speaker, I may say to the gentleman that permission has already been granted for all Members to extend their remarks on this bill.

Mr. PATMAN. But I wish to insert at this point in the RECORD a copy of a letter written to the chairman of the Committee on Banking and Currency by four Cabinet members and also a copy of the administration's bill.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I assume that is the letter which has just been delivered to me which purports to be the administration's program. I surely have no objection to it, but I think attention should be called to the fact in a reservation of objection that this letter comes up here after action is taken on the resolution on the floor.

Mr. PATMAN. It was similar to one which was urged before our committee.

Mr. HALLECK. Mr. Speaker, reserving the right to object, is that a matter which has to do with price control and inflation?

Mr. PATMAN. It does.

Mr. HALLECK. And by whom is it sent here?

Mr. PATMAN. By Mr. Krug, Mr. Anderson, Mr. Harriman, and Mr. Schwollenbach.

Mr. HALLECK. Is the gentleman of opinion that hearings should be had on that before any action is taken on the President's proposal?

Mr. PATMAN. Yes; we should have hearings on every bill.

Mr. HALLECK. Before there is action of any sort?

Mr. PATMAN. Yes, sir.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(The matter referred to by Mr. PATMAN follows:)

DECEMBER 15, 1947.

Hon. JESSE P. WOLCOTT,

House of Representatives,

Washington, D. C.

DEAR MR. CHAIRMAN: We are submitting herewith for the consideration of your committee a limited price-recontrol bill. The bill herewith submitted provides for limited price controls as the minimum of regulation which will effectively combat the menace of inflation with respect to vital commodities that basically affect the cost of living or agricultural or industrial production. For this purpose, price controls under this bill would be confined to wholesale prices, except that retail price controls might be imposed whenever, despite the operation of competitive forces at the retail level, such additional

controls are found to be necessary to carry out the purposes of the act.

The wholesale prices of many commodities, such as meat, butter, eggs, grain and grain products, farm machinery, farm implements, and lumber, have risen substantially during the past 6 months. They can and must be controlled at the wholesale level now. With wholesale price control on these commodities, the operation of competitive forces at the retail level may make unnecessary any retail price control with respect to them. Should the competitive forces at the retail level in these commodities be insufficient to hold the retail prices in line, appropriate action could be taken under this bill to control retail prices. Provision is also made for price ceilings on other commodities which basically affect the cost of living or industrial production if inflationary forces, such as the gray market in steel and excessive mark-ups in rayon and other textiles, require their control, and also for wage ceilings when essential to maintain the necessary price ceilings to be fixed under the bill. This bill provides that extensions of price control at either the wholesale or retail level and the application of such wage ceilings shall be effective unless Congress disapproves.

This proposed legislation does not require the creation of any new price-control agency. We believe it provides a simple and workable method whereby existing departments of Government may impose limited price controls where necessary. We should like to emphasize that price control is but one of the means of combating inflation.

This bill is part of the legislation submitted in furtherance of the inflation-control program proposed by the President, but more specifically it should be considered in conjunction with the bill for allocation and inventory control which was recently submitted to committees of the Congress.

Very sincerely yours,

J. A. KRUG,

Secretary of the Interior.

CLINTON P. ANDERSON,

Secretary of Agriculture.

W. A. HARRIMAN,

Secretary of Commerce.

L. B. SCHWELLENBACH,

Secretary of Labor.

A bill to provide for the temporary control of prices on certain vital commodities in short supply that basically affect the cost of living or agricultural or industrial production, and for other purposes

Be it enacted, etc., That this act may be cited as "The Temporary Price Recontrol Act of 1947."

## FINDINGS OF FACT AND DECLARATION OF POLICY

SECTION 1. (a) The policy heretofore declared by the Congress that it is the national policy to protect and preserve a free competitive economy in the United States is hereby reaffirmed. It is recognized that conditions of shortages of vital commodities have been caused primarily by the recent war, and have continued as an aftermath of that war, and that the menace of inflation is presently facing the United States and that in the national interest appropriate measures should be taken to eliminate that menace. It is hereby declared to be in the interest of the national defense and the general welfare to prevent speculative and unwarranted increases in prices of vital commodities in short supply that basically affect the cost of living or agricultural or industrial production, and the resulting disruptions and impediments to commerce among the several States and with foreign nations, and to the foreign policy of the United States.

(b) It is further declared as the national policy that the regulation of our economy through the imposition of price controls should not extend beyond the minimum of



regulation which will effectively combat the menace of inflation with respect to vital commodities that basically affect the cost of living or agricultural or industrial production, and that for this purpose price controls shall be confined to wholesale prices as defined in this act; *Provided, however*, That retail price controls may be imposed whenever, despite the operation of competitive forces at the retail level, such additional controls are found to be necessary to carry out the purposes of this act.

#### TERMINATION DATE

SEC. 2. The provisions of this act, and all regulations, orders, and requirements thereunder, shall terminate on March 31, 1950, or upon the date specified in a proclamation by the President or in a concurrent resolution by the two Houses of the Congress, declaring that continuance of the authority granted by this act is not necessary for the national defense and the general welfare and the promotion of commerce among the several States and with foreign nations, and to support the foreign policy of the United States, whichever date is the earliest; except that as to offenses committed, or rights or liabilities incurred prior to such termination date, the provisions of this act and such regulations, orders, and requirements shall be treated as still remaining in force for the purpose of sustaining any action or prosecution with respect to any such right, liability, or offense.

#### ORGANIZATION AND DEFINITIONS

SEC. 3. (a) Department: The President shall designate the Departments, agencies, or officials of the Government that shall exercise in whole or in part the power, authority, and discretion conferred by this act. For the purposes of this act, the Departments, agencies or officials so designated are respectively referred to as the Department.

(b) Commodity: The term "commodity" means articles, products, and materials which basically affect the cost of living or industrial or agricultural production, and it also includes services rendered otherwise than as an employee in connection with the processing, distribution, storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity.

(c) Wholesale prices: Maximum wholesale prices within the meaning of this act shall be the maximum prices fixed by the Department which may be charged for a commodity to either a producer, processor, fabricator, manufacturer, distributor, or retailer.

(d) Retail prices: Maximum retail prices within the meaning of this act shall be the maximum prices other than maximum wholesale prices as defined in this act, fixed by the Department, which may be charged for a commodity.

(e) Regulations: Such maximum prices may be fixed by regulation or order of the Department. Any such regulation or order may be issued in such form or manner, and may contain such provisions, as the Department finds reasonably necessary to effectuate the policy of this act as declared by the Congress, including such provisions as the Department finds reasonably necessary to prevent circumvention or evasion of this act or any regulation or order thereunder.

#### MAXIMUM PRICES

SEC. 4. Upon and after the enactment of this act, maximum wholesale and retail prices may be fixed and applied by the Department to vital commodities that basically affect the cost of living or industrial or agricultural production, by the method herein-after provided.

#### MAXIMUM WHOLESALE PRICES

SEC. 5. If, in the judgment of the Department, in order to accomplish the purposes of this act, maximum wholesale prices should

be imposed upon any commodity, the Department may fix and apply maximum wholesale prices to such commodity approved by the President, and the Department shall promptly submit to the Congress when the Congress is in session, or, if not in session, at the opening of the next session, the name of such commodity, which shall be and remain subject to maximum wholesale prices, from the date of their imposition, unless within 30 days following such submission, the Congress by concurrent resolution disapproves the imposition of maximum wholesale prices upon such commodity.

#### MAXIMUM RETAIL PRICES

SEC. 6. If, in the judgment of the Department, in order to accomplish the purposes of this act, it is necessary that maximum retail prices be imposed upon any commodity approved by the President the Department may fix and apply maximum retail prices to such commodity and the Department shall promptly submit to the Congress, while in session or, if not in session, at the opening of the next session, the name of such commodity, which shall be and remain subject to maximum retail prices, from the date of their imposition, unless within 30 days following such submission, the Congress by concurrent resolution disapproves the imposition of maximum retail prices upon such commodity.

#### BASES FOR ESTABLISHING MAXIMUM WHOLESALE OR MAXIMUM RETAIL PRICES

SEC. 7. So far as practicable, in establishing any maximum wholesale or maximum retail price for a commodity under this act the Department shall ascertain and give due consideration to the wholesale or retail price prevailing for such commodity between June 15 and June 30, 1947, or if there was no prevailing wholesale or retail price between such dates, or the said prevailing wholesale or retail price was not representative because of abnormal or seasonal market conditions or any other cause, then to the wholesale or retail price prevailing during the nearest 2-week period in which, in the judgment of the Department the wholesale or retail price for such commodity is representative; and shall make adjustments for such relevant factors as it may determine and deem to be applicable, including speculative fluctuations, and general increases or decreases in costs of production and distribution or adjustments necessary in order to maintain or increase production or marketing. Any maximum wholesale or maximum retail price imposed pursuant to this act shall be such price as in the judgment of the Department will be generally fair and equitable and will effectuate the purposes of this act, and may be modified whenever necessary, in the judgment of the Department, to accomplish these purposes. Subject to the aforesaid factors, any price regulation or order may provide for a maximum price below the prevailing price or prices for the commodity at the time of issuance of such regulation or order.

SEC. 8. (a) No maximum price shall be established or maintained hereunder for any agricultural commodity or any commodity processed or manufactured in whole or substantial part from any agricultural commodity below a price which will reflect to producers of the agricultural commodity the higher of the following prices, as determined by the Secretary of Agriculture: The parity price, adjusted for grade, location, and seasonal differentials, or, in case a comparable price has been determined for such commodity under subsection (b), such comparable price similarly adjusted. (b) For purposes of this act, in the case of any agricultural commodity other than the basic crops corn, wheat, cotton, rice, tobacco, and peanuts, the Secretary of Agriculture shall determine and publish a comparable price whenever he finds that the production and consumption

of such commodity has so changed in extent or character since the base period as to result in a price out of line with parity prices for basic commodities: *Provided*, That comparable prices heretofore determined by the Secretary of Agriculture may be used for the purpose of this act. (c) Nothing contained in this act shall be construed to modify, repeal, supersede, or affect the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or to invalidate any marketing agreement, license, or order, or any provision thereof or amendment thereto, heretofore or hereafter made or issued under the provisions of such act.

#### TEMPORARY PRICE FREEZE

SEC. 9. Whenever in the judgment of the Department such action is necessary or proper in order to effectuate the purposes of this act and in order temporarily to freeze wholesale or retail prices of vital commodities in short supply that basically affect the cost of living, or industrial or agricultural production the Department may, as to such commodity or commodities as may be approved by the President, fix and apply temporary maximum wholesale or retail prices with respect to such commodity or commodities at the price or prices prevailing with respect thereto within 5 days prior to the date of application of such maximum wholesale or retail prices; but any such temporary order shall be effective for not more than 60 days, and may be replaced by regulation or order issued under the foregoing provisions of this act.

#### WAGE CEILINGS

SEC. 10. (a) There is hereby established within the Department of Labor a board, to be known as the Temporary Wage Stabilization Board, hereinafter referred to as the Board. The Board shall be composed of six members, to be appointed by the President, by and with the consent and advice of the Senate, two of whom, including the Chairman and the Vice Chairman, shall be representative of the public, two representative of employees, and two representatives of employers, no more than three of whom shall be members of the same political party. The Board shall be administered as an organizational entity within the Department of Labor, but shall be independent with respect to policies, decisions, and control of personnel.

(b) Whenever a maximum wholesale price has been established for a commodity under this act, and the Department finds that an increase in wages to the employees producing such commodity would result in substantial increases in the cost of production thereof, and would require an increase in the established maximum wholesale price for such commodity which would thus impede the accomplishment of the purposes of this act, the Department, after consultation with the Department of Labor, and with the approval of the President, shall refer the determination of wage ceilings to the Temporary Wage Stabilization Board, herein provided for. After referral to the Board, it shall be the duty of the Board to establish wage ceilings, as herein provided. The Board shall give due regard to substantial increases in the cost of living above that prevailing during the applicable base period established pursuant to section 7 of this act, to any gross inequities that would result to the employees involved from substantial increases in wages and salaries paid for comparable work in other industries, and to the effect of such increases upon the profits of the employer, and shall determine wage ceilings by the majority vote of the Board.

(c) The determination of wage ceilings by the Board shall be promptly reported by the Board to the Congress, while in session or if not in session, at the opening of the next session, and the wage ceilings established pursuant to such determination shall be and



remain in effect from the date of their establishment unless within 30 days after such notification the Congress by concurrent resolution, disapproves the establishment of wage ceilings with respect to such employees.

(d) Members of the Board shall receive actual transportation expenses and other necessary expenses, on such days as they are actually engaged in performance of duties in pursuance of this act and shall receive compensation from the United States at the rate of \$12,000 per annum.

(e) Service of an individual as a member of such Board shall not be considered as service bringing such individual within the provisions of sections 109 or 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203), or section 19 (e) of the Contract Settlement Act of 1944.

(f) In the exercise of the authority conferred upon the Board by this act it may issue rules, regulations, and orders in such form and manner and include therein such provisions as it finds are reasonably necessary to exercise its functions hereunder.

#### ENFORCEMENT

SEC. 11. It shall be unlawful, regardless of any contract, agreement, or other obligation heretofore or hereafter entered into, to sell or deliver any commodity, or in the course of trade or business to buy or receive any commodity, or otherwise to do or omit to do any act, in violation of any regulation or order issued hereunder by the Department, or to offer, solicit, attempt, or agree to do any of the foregoing. Any person who willfully violates any provisions of this section shall, upon conviction thereof, be subject to a fine of not more than \$50,000, or imprisonment for a term not exceeding 1 year, or to both such fine and imprisonment. Whenever the Department has reason to believe that any person is liable to punishment under this section, it shall certify the facts to the Attorney General who may, in his discretion, after such investigation by the Federal Bureau of Investigation as he may deem necessary, cause appropriate proceedings to be brought.

SEC. 12. It shall be unlawful regardless of any contract, agreement, or other obligation heretofore or hereafter entered into for any employer to pay, and any employee to receive, wages or salaries in contravention of any wage stabilization order issued hereunder by the Temporary Wage Stabilization Board. Any person who willfully violates any provisions of this section shall, upon conviction thereof, be subject to a fine of not more than \$5,000, or imprisonment for a term not exceeding 1 year, or to both such fine and imprisonment. Whenever the Temporary Wage Stabilization Board or the Department has reason to believe that any person is liable to punishment under this section the Department or Board shall certify the facts to the Attorney General who may, in his discretion, after such investigation by the Federal Bureau of Investigation as he may deem necessary, cause appropriate proceedings to be brought.

#### RECORDS AND REPORTS

SEC. 13. The Department is authorized to make such studies and to obtain such information as it deems necessary or proper to assist it in the exercise of the power, authority, and discretion conferred upon it by this act; and is further authorized, by regulation or order, to require any person who is engaged in the business of dealing with any commodity for which maximum wholesale prices or maximum retail prices have been or could be fixed under this act, to furnish any such information under oath or affirmation or otherwise, to make and keep records and other documents, and to make reports, and it may require any such person to permit the inspection and copying of records and other documents.

#### SEPARABILITY

SEC. 14. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act and the applicability of such provision to other persons or circumstances shall not be affected thereby.

#### APPROPRIATIONS AUTHORIZED

SEC. 15. There are authorized to be appropriated such sums as may be necessary or proper to carry out the provisions and purposes of this act.

#### APPLICATION OF EXISTING LAW

SEC. 16. No provision of law in force on the date of enactment of this act shall be construed to authorize any action inconsistent with the provisions and purposes of this act.

#### ADMINISTRATIVE PROCEDURE ACT INAPPLICABLE

SEC. 17. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after "Sugar Control Extension Act of 1947; Priorities, Allocations, and Export Control Act of 1947," the following: "The Temporary Price Recontrol Act of 1947."

#### APPLICABILITY

SEC. 18. The provisions of this act shall be applicable to the United States, its Territories, and the District of Columbia.

#### FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1774) entitled "An act to promote the general welfare, national interest, and foreign policy of the United States by providing supplies to certain European countries on an emergency basis."

#### AMENDMENT TO TITLE VI, NATIONAL HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1770) to amend the National Housing Act, as amended.

The Clerk read as follows:

*Be it enacted, etc.,* That section 603 (a) of the National Housing Act, as amended, is hereby amended by striking out "\$4,000,000,000" and inserting in lieu thereof "\$4,450,000,000" and by striking out "\$4,200,000,000" and inserting in lieu thereof "\$4,950,000,000."

SEC. 2. Title VI of the National Housing Act, as amended, shall be employed to assist in maintaining a high volume of new residential construction without supporting unnecessary or artificial costs. In estimating necessary current cost for the purposes of said title, the Federal Housing Commissioner shall therefore use every feasible means to assure that such estimates will approximate as closely as possible the actual costs of efficient building operations.

The SPEAKER. Is a second demanded?

Mr. SPENCE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan [Mr. WOLCOTT] is recognized for 20 minutes and the gentleman from Kentucky [Mr. SPENCE] is recognized for 20 minutes.

Mr. WOLCOTT. Mr. Speaker, I yield myself 13 minutes.

The SPEAKER. The gentleman from Michigan is recognized for 13 minutes.

Mr. WOLCOTT. Mr. Speaker, this bill increases the aggregate authority which FHA has to insure mortgages approved under title VI of the National Housing Act. In a bill passed last year we gave the FHA \$400,000,000 of additional authority, raising the aggregate to \$4,200,000,000. Now, the requests for insurance have come in so rapidly it has become evident there is not enough authority to insure all of the mortgages which will be processed between now and when the authority expires on March 31.

Mr. Raymond Foley, the Administrator of the Housing and Home Finance Agency, has requested additional authority in the sum of \$750,000,000. This authority is thought by Mr. Foley to be sufficient to process the applications for insurance up to the expiration of the act. It will be necessary for the Congress to consider the whole housing act previous to March 31, so that it is understood this additional authorization is a stopgap authorization and that its purpose is to prevent any slowing down of the momentum in the home-construction field.

Mr. BROWN of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Is the Senate bill the same as passed by our committee?

Mr. WOLCOTT. Yes. I am very glad the gentleman asked me that. The Senate bill is identical with the House bill excepting that the Senate gave statutory authority to FHA of \$500,000,000 and discretionary authority in the President of \$250,000,000. The amendment which we adopted in the Banking and Currency Committee is the one which I have offered to the Senate bill giving an increase in statutory authority of \$250,000,000 and discretionary authority to the President in an additional amount of \$500,000,000, making a total of \$750,000,000. The language is identical except for that change. The parliamentary situation is such that we are taking up the Senate bill instead of the House bill, because the Senate has already passed it, and we thought it would expedite the legislation if we did that.

I might say that we would not have taken up the Senate bill had it not been so closely identical.

By way of illustrating what I mean by velocity of volume of new construction, as compared to 1946, in which there were 662,500 private dwelling units started in the first 10 months of 1947, 708,500 were started. So, you see, in the first 10 months of this year we started 48,000 more units than were started in 1946. Now, usually along in the latter part of August or September there is a seasonal decline in home construction, but much to our amazement, and I am very happy to be able to report, the momentum in home construction has continued right through the fall, so that the number of units each month has been progressively larger than the month before.

Coming back to June of this year, for example—and I will give you round



It does not say that the goods shall be sold without charge by the country to which the goods are given; but it does say that there is no charge by the United States.

As I understand the Senator from Michigan and other sponsors of the bill, the bill has two purposes: First, to prevent suffering from hunger and cold during the coming winter; and second, to combat the spread of communism. I think it should be generally known that the people of the United States are sending a gift of approximately \$600,000,000, not to the people of France, Italy, China, and Austria, but to the governments of those countries, and that those governments will in turn sell to the people of their countries the commodities which are sent to them by the people of the United States from the goodness of their hearts without charge, just as the Senate bill said, and without expecting any repayment.

When the bill was under consideration in the Senate I offered a group of amendments with two purposes in mind. The first purpose was to guarantee that the taxpayers of the United States and the people generally would receive full information as to the manner in which the aid was distributed, and to whom it was distributed. I am glad to see that those amendments were adopted in substance in the conference report. I wish to express my appreciation to the Senator from Michigan for his interest in those amendments.

The second purpose which I had in mind was to guarantee that the taxpayers of the United States would know that the people receiving aid would be informed that it was a gift from us, and that we expected no repayment.

I have read the conference report with some care; and, so far as I can see, that purpose is not met in any respect. The purpose which I had in mind accomplishing by the second amendment was that when the commodities furnished by the Government of the United States were sold to the people of other countries and were paid for by them, the people buying the goods would know that the money did not come back to the United States. The amendment originally offered provided that the commodities be marked, stamped, or branded to show that such was the case. The conference report provides that these goods shall be marked or branded to the effect that they come from the United States, that the United States is the country of origin; but there is absolutely no provision to show that they are a gift, or are furnished without charge by the people of the United States.

I believe that the result will be wholly to defeat the purpose of the people of the United States in sending this relief. The goods will be sold, and the people will pay for them. They may know that the goods originally came from the United States, but they will wholly and entirely fail to get the idea that they are a gift from the people of the United States, to use the language of the Senate bill—

in an effort to prevent suffering because of hunger, starvation, and cold, and prevent serious economical retrogression.

If we can judge from the reports of Members of Congress who have returned from trips to foreign countries this summer, there is hardly any country in the world where Uncle Sam is held in high regard or even grateful respect. It seems to me that the method which we are to use in sending these goods out will contribute still further to misunderstanding. In effect, it plays into the hands of Communists, because they will be given an opportunity to say, "America claims to be generous, claims to send you gifts, but you notice that you pay for whatever you get."

Mr. VANDENBERG. Mr. President, I wish to say this in reply to the Senator: The Senator will understand, in the first place, that the Senate conferees were not free agents to write the bill as they pleased.

Mr. KEM. Certainly.

Mr. VANDENBERG. The Senator will recognize that when the conferees saved about 85 percent of his text, they had a fairly good batting average, even as rated in St. Louis.

Mr. KEM. I have already expressed my appreciation to the Senator.

Mr. VANDENBERG. I will say to the Senator in conclusion that the absence of the particular language to which he refers does not for an instant mean that the information to which the language would have referred is necessarily to be absent from the general information which is given. So far as the Senator from Michigan is concerned, he completely agrees with the basic point of view expressed both by the Senator from Missouri [Mr. KEM] and by the Senator from Oregon [Mr. CORDON]; and he will urge that, under the general injunction of publicity, the exact truth be made plain at all times.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. LANGER subsequently said: Mr. President, I want the RECORD to show that on the voice vote on the adoption of the conference report the Senator from North Dakota voted "No."

#### DEATH OF FORMER SENATOR ARTHUR WALSH, OF NEW JERSEY

Mr. HAWKES. Mr. President, it is with the deepest sorrow that I announce to the Senate the death of ex-Senator Arthur Walsh, who was called into the Great Beyond early Sunday morning, December 14, 1947.

Senator Arthur Walsh was beloved by all of his colleagues on both sides of the aisle in the United States Senate and while here made a substantial contribution to the deliberations of the Senate.

He was that type of representative of the people who made each of us forget to which political party he belonged, because, in my opinion, he belonged to the United States of America. Even when he differed with any of us, we still had both a deep respect and an affection for him because he was honest, straightforward, and, in my opinion, sought justice and fairness for all. He was a great public servant.

His loss is great not only to his beloved wife, daughter, and the other members of his family, but to all those who knew him and to the citizens of the State of New Jersey.

While it is difficult for us to understand why he should be called home at the early age of 51, we must accept the will of God Almighty as infallible, and our philosophy and spiritual understanding must cause us to believe that even those things which we do not understand are in the final best interest of all.

As one of his former colleagues and as one of the Senators from the State of New Jersey, I extend to his wife, their daughter, and the other members of his family our deepest understanding sympathy, coupled with the prayer that God will give them the strength and guidance which are so vitally essential to carrying on in this life.

Mr. President, I send to the desk a resolution, which I ask to have read.

The PRESIDING OFFICER. The clerk will read the resolution.

The resolution (S. Res. 174) was read by the legislative clerk, as follows:

*Resolved*, That the Senate has heard with profound sorrow and extreme regret the announcement of the death of Hon. Arthur Walsh, who served in the United States Senate from the State of New Jersey from November 26, 1943, to December 6, 1944.

*Resolved*, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased, together with a transcript of remarks made in the Senate in praise of his distinguished service to the Nation.

Mr. HAWKES. Mr. President, I ask that the resolution be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution submitted by the Senator from New Jersey.

The resolution was unanimously agreed to.

Mr. BARKLEY subsequently said: Mr. President, I was called from the Chamber a little while ago. During my absence the Senator from New Jersey [Mr. HAWKES] submitted a resolution expressing the sympathy of the Senate because of the death of former Senator Arthur Walsh, of the State of New Jersey. But for my absence at the moment, I would have said then what I have to say now.

I am sure that we all learned today with deep sorrow the news of the death of former Senator Walsh. He came here by appointment of the Governor of New Jersey to serve a portion of an unexpired term. He did not run for reelection after the term for which he had been appointed. I am sure that no Member of this body who knew the late Senator Walsh failed to appreciate his fine qualities. He was a man of very great ability in a business way. He had a very keen understanding of the political situation. He possessed a charming personality and great versatility, which made him a popular associate either in public assemblies or in private associations. It seems a tragedy that a man so young—only 51—should be suddenly called from an active, busy, and useful life. I do not believe any of us here realized that Senator



Walsh was suffering from any ailment of any sort. At least I did not. When I last saw him he was the picture of perfect health. He seemed in good spirits and had a jovial approach and disposition which made him like a breath of fresh air in any community or society in which he circulated.

I wish to join the Senator from New Jersey in the expression of the sympathy of this body to the family and friends of the late Senator Walsh, and to express my own sense of personal loss at his premature death. I do not know when I have seen or known a man of more charming personality in recent years than that which characterized the late Senator from New Jersey. I hope that his life, brief as it was, comparatively speaking, may be a consolation to his family and friends, and that his memory will always remain green in our lives.

Mr. SMITH. Mr. President, I thank the distinguished Senator from Kentucky for the remarks which he has just made. I received notice this morning of former Senator Walsh's death. I regret that I was called out of the Senate earlier today when, I am advised, my colleague [Mr. HAWKES] presented his resolution, and I want to add these words of my own to what my colleague said. I desire to record my deep sense of personal loss of a great friend whom I had known for a number of years and who was my immediate predecessor in the Senate from New Jersey. If in any way I can fulfill the expectations which the late Senator Walsh in his lifetime represented when he was in the Senate, the fine standards he attained, the wonderful citizenship record he had in New Jersey in everything he did; his wonderful appreciation of the arts—he was a great musician—his great business ability, and his devotion to duty, I shall be happy, indeed, to follow in his footsteps. I am glad to join with my colleagues in paying tribute to a man who meant so much to the State of New Jersey.

#### MAINTENANCE OF PROSPERITY AND CURE OF INFLATION

Mr. CAPEHART. Mr. President, I send to the desk a bill to maintain prosperity, promote full employment, and kill inflation, and ask that it be read.

The bill (S. 1873) to maintain prosperity, promote full employment, and kill inflation, was read the first time by its title and the second time at length, as follows:

*Be it enacted, etc.,*

#### SHORT TITLE

SECTION 1. This act be cited as the "Price Moratorium Act of 1947."

#### DECLARATION OF POLICY

SEC. 2. It is hereby declared to be in the national interest that the Congress provide a long-range program to protect and promote a sound national economy; such a program requires careful study and preparation and until such program is fully developed, it is necessary that the present price spiral be stopped. It is the purpose of this act to maintain prosperity, promote full employment, and kill inflation. To carry out the purposes of this act it is essential that there be full cooperation of all the people—the farmer, the wage earner, the businessman, the housewife, and the Government.

#### GENERAL PROVISION

SEC. 3. The maximum price at which any commodity, new or used, may be sold, bartered or exchanged, shall be the prevailing price of the seller of such commodity at the close of his business day on December 13, 1947. No used motor vehicle may be sold at a price in excess of the sale price of a new item of like make or character, regardless of the date of manufacture. The prevailing price for any commodity listed upon any trading exchange shall be the closing price of such commodity on such exchange on December 13, 1947.

#### ENFORCEMENT

SEC. 4. Any person, firm, association, or corporation that willfully violates any provision of this act shall upon conviction, be subject to a fine of not more than \$5,000 or to imprisonment for not more than 2 years, or to both such fine or imprisonment.

It shall be the duty of the Attorney General to prosecute any violators of the provisions of this act and jurisdiction of all proceedings for violation of any of the provisions of this act is hereby conferred upon the district courts of the United States.

#### TIME LIMIT

SEC. 5. The provisions of this act shall terminate on May 1, 1948, or upon any date prior thereto fixed by Executive order of the President.

#### APPLICABILITY

SEC. 6. The provisions of this act shall be applicable to the United States, its Territories and possessions, and the District of Columbia.

The PRESIDING OFFICER. The bill will be referred to the Committee on Banking and Currency.

Mr. CAPEHART. Mr. President, when we convened in this extraordinary session of the Eightieth Congress, we knew that we were to face domestic and foreign problems which would call for history-making action on our part. Many people in devastated European nations were starving and cold. We were aware of the need for immediate help, and we shall consider a long-range program of rehabilitation of those countries. Here in America our people were falling deeper into the whirlpool of inflation and were facing a loss of our cherished free-enterprise system. Again we recognized the need for immediate help and a long-range program which would give our great Nation a sound economy. In each of these emergencies we have found agreement among ourselves as to the need. We have differed only as to the methods of solution.

To meet the need for immediate foreign aid we speedily enacted legislation that will soon start the flow of food and clothing to those countries. We have enacted an interim-aid bill. We have enacted the bill for interim aid for Europe as a stopgap procedure while the more complex problem of long-range rehabilitation measures can be given the careful consideration necessary. During this time we have also moved steadily toward a long-range solution of our domestic troubles. Good legislation has been offered, and more will be offered; and I am certain that it will again permit us to enjoy the sound economy and prosperity to which we are entitled as a free people. But these important steps require time for study. They should not be enacted into law purely through the pressure of demand, for much of what

we do here in the next few days will become milestones in our history.

We have given interim aid to Europe while we study carefully the long-range needs of those countries. Now let us give interim aid to the United States while we carefully consider the long-range needs of our economic system.

I have just introduced a bill which will kill inflation immediately and will serve to maintain employment and prosperity. Its title is the "Price Moratorium Act of 1947." Mr. President, this bill will give the people of our great Nation immediate protection against inflation without the need for arbitrary price controls and rationing which our people hate and which I hate. It will give our people a chance to throw off their fears of inflation, while we here in Congress can give the proper consideration to the permanent program of the future.

Our economy has been like a runaway automobile. Now let us stop the automobile so that we can determine what made it run away.

The bill I have introduced will place an immediate moratorium on prices of commodity transactions as of midnight December 13. It provides an expiration date as of May 1, 1948; but, Mr. President, I have provided that the President of the United States can, at any time prior to that date, remove the moratorium by executive decree. This bill will give the people relief from the rising prices, and at the same time it will give Congress a greater opportunity to study the many plans for permanent corrective legislation. This bill will also permit the long-range program which we adopt to begin functioning without penalty to our people.

I am confident that within the next few months this Congress will enact laws which will have a very quick effect upon the inflationary trend and the soundness of our future economy. Our people are in dire need of relief from the inflationary trend during this period, and this bill will give them that interim aid.

Since this moratorium will be established at the market level, there should be no need to fear black-market operations which made a farce of the wartime price-control and rationing program. The enforcement needs should be reduced to a minimum by the fact that the bill creates no hardship either on the seller or the buyer.

It merely says, "Let us stop right where we are, while a permanent, long-range program can be enacted and given time to operate."

We gave some consideration, Mr. President, to inclusion of a provision for a short-time moratorium on wages and salaries, but we believe that organized labor will recognize the need for a temporary status quo condition in order to bring order out of our chaotic economic situation. All of our people have come to realize that the cycles between price increases and wage increases have gone on and on, until the very foundation of our freedom is being threatened.

If we take this immediate action, Mr. President, to give our worried people relief from their fears of a ruinous inflation and a resultant depression, we shall bolster their confidence in this great



form of government under which we have thrived for 165 years. We would not be asking our people to be ruled from Washington by an arbitrary board or bureau which could raise or lower prices at will. We would not be chaining our working people to a condition beyond their will and patriotism. We would not be delegating to anyone the power to provide in his own dictatorial way for a sharing of scarcities.

Mr. President, this bill only asks that we go no farther skyward in this spiral of destruction until permanent means to halt that spiral can be made effective. We owe this interim aid to our people, and we owe ourselves a chance for careful, sound study—unhindered by the pressure of excited fear—of the important permanent solution of the problem. By such action, Mr. President, we shall not have stopped the wheels of production, as would be the case under price-control and rationing. The workers who today have strained all our production facilities will not be faced with any change in their working schedules. Expansion of production will not be stifled by this interim-aid measure, for we shall not choke off the needs of our people with rationing. On the contrary, Mr. President, the proposed interim measure will restore to business the condition of soundness that in our judgment will be so necessary in connection with long-range European aid.

With our economy running rampant how can we apply proper consideration to the long-range problems we face? Grain market speculations which affect the very hub of our studies will be stopped by this bill until we have had a chance to determine the future course of our Nation and the many others.

Mr. President, if it was proper for us to cross our party lines to give interim aid to Europe, it is even more appropriate that we cross those same party lines to give interim aid to our own people. We need the honest cooperation of every American in acting to meet the immediate problems, as well as in taking the steps which will determine our course for future years.

#### RELIEF OF NAVAJO AND HOPI INDIANS

Mr. WATKINS. Mr. President, today the Senate has adopted the conference report on the bill providing interim aid for Europe. I personally am in full accord with what this body has done in that connection. However, we have in the United States a problem which affects people who are half citizen and half foreign. I refer to the Navajo Indian Nation, located in New Mexico, Arizona, Utah, and Colorado. On July 26 last, I called the attention of this body to the deplorable condition existing among those Indians. Since that time, legislative committees have visited the Indian reservations and have made investigations. The press of the United States has sent representatives to that section of the country, and the plight of these Indians has been brought to the attention of the American people.

Mr. President, today we have been generous to Europe—in our own defense in a way, and, in another way, as a mat-

ter of Christian charity. On the other hand, we have treaty obligations with these Indians. We are obligated to provide them with schools and with teachers; and having taken their lands and having driven these Indians from their former lands to those on which they are now located, we are obligated to see that at least they have an opportunity to earn their own living, to live the kind of life they wish to live, and finally to become self-sustaining American citizens.

Most of these Indians do not vote. In some of the States, by reason of the laws and regulations, they are not permitted to vote; they do not exist as a political power. But I am sure that in the generosity of America, now that we have taken steps to render assistance to the people of other lands, we will be willing at this time to recognize the needs of these Indians.

From 55,000 to 60,000 of the Indians live on 13,000 square miles of land which for the most part is barren, without sufficient rainfall, without enough water even to irrigate many portions of it. Because of these conditions this area is now overcrowded, so far as its productivity is concerned, and it will be necessary, as the Indian committees of the Senate and the House have checked the matter, to take many thousands of the Indians away from the present reservation and permit them to learn a living elsewhere, because, as I have just said, the land is already overcrowded.

These Indians are shepherds; they have small flocks of sheep, and a number of years ago it was found necessary to reduce the size of the flocks. Having done this, the Indians became somewhat discouraged. The range is undergrazed in many sections. The Indians do not have enough to eat. There was a serious drought in that section during the last year, and from the accumulation of their troubles they have been brought into serious distress.

A bill was introduced in the House of Representatives to provide some interim relief for the Indians, and it was passed unanimously. The bill was referred to the Subcommittee on Indians Affairs of the Committee on Public Lands of the Senate, of which I am chairman, and has been reported unanimously with an amendment which we feel would result in the relief which should be provided, in a way that would be of great benefit to the Indians.

Mr. President, I now ask unanimous consent that Calendar No. 831, House bill 4627, to authorize an appropriation for the immediate relief of the Navajo and Hopi Indians, and for other purposes, be made the unfinished business.

The PRESIDING OFFICER. The clerk will state the bill by its title.

The LEGISLATIVE CLERK. A bill (H. R. 4627) to authorize an appropriation for the immediate relief of the Navajo and Hopi Indians, and for other purposes.

Mr. LANGER. Mr. President, reserving the right to object, I should like to ask the Senator the nature of the amendment.

Mr. WATKINS. The amendment would strike out all after the enacting clause and rewrite the bill, and I should

like to read the amendment, if the Senator will permit. It is as follows:

That there is hereby authorized to be appropriated the sum of \$2,000,000, or so much thereof as may be necessary, to enable the Secretary of the Interior to provide immediate relief for needy Navajo and Hopi Indians who are on their reservations and for those who leave their reservations for employment as hereinafter provided. Not to exceed \$500,000 of such amount shall be available for relief of the children, the blind, aged, sick, and disabled, who are needy, and the needy able-bodied where work is not available; and not to exceed \$1,500,000 to provide (a) useful employment on permanent construction projects duly authorized for the Navajo and Hopi Indians and (b) to secure employment off their reservations for Navajo and Hopi Indians.

SEC. 2. The Secretary of the Interior is authorized and directed at the earliest practicable date to submit to the Congress his recommendations for necessary legislation for a long-range program dealing with the problems of the Navajo and Hopi Indians.

Let me say to the Senator that the idea in handling the matter in this way was to provide directly a sum which the Bureau of Indian Affairs felt was sufficient for direct relief of those who are unable to help themselves, and the able-bodied who could not find employment. That was covered in one section. The \$500,000 met with the approval of Mr. Zimmerman, the Acting Commissioner of Indian Affairs.

Authorization for the appropriation of \$1,500,000 was inserted in order to carry on projects which have now been duly authorized for construction on Indian reservations, but the money is not at present available for many of the projects. They can be carried on. They are not very large, covering some small irrigation projects. One project which would be of great value to the Indians would be the construction of roads. The Indians could do some work on the roads this winter.

The bill is drawn on the theory that those who can work should be required to work. We do not want the Indians to be put into the situation in which many of the white people are looking to the Government for everything, and not being willing to work for what they get. The bill was drafted in order to cover that feature.

The bill has been discussed with the chairman of the Indian subcommittee of the House, and he has agreed to the language which we have suggested in the amendment. It is broad enough to accomplish the desired purposes, yet it is drafted in such a way that it will give full protection to the United States, and will be of great aid in providing employment, and putting the Indians on their feet. It is only a part of what we are planning and hope to introduce in Congress soon after the first of the year covering a long-range program, which we hope may put these Indians in such circumstances that it will not be necessary for Congress to pass relief measures.

Mr. LANGER. Mr. President, will the Senator from Utah yield further?

Mr. WATKINS. I yield.

Mr. LANGER. The total appropriation is \$2,000,000, is it not?

Mr. WATKINS. Yes, that much is to be authorized.



Mr. LANGER. An authorization for \$2,000,000?

Mr. WATKINS. That is correct.

Mr. LANGER. To take care of 60,000 people?

Mr. WATKINS. For a short period of time.

Mr. LANGER. For how many months?

Mr. WATKINS. It will be until we can pass the next bill, which I hope will be early in the next regular session of the Eightieth Congress.

Mr. LANGER. It may be March or April before we get it through.

Mr. WATKINS. It could be.

Mr. LANGER. Does not the Senator think the sum is totally inadequate, that the average Indian on the reservation would receive about \$10 a month out of the \$2,000,000 fund?

Mr. WATKINS. I have recently visited the Indian reservation. I met a large number of the newspaper representatives there, and I have been reading the stories carried in the press. I have inquired of the Bureau of Indian Affairs whether there has been any change in the situation since I visited the reservation, and they have told me that it has not substantially changed. I think the picture has been overdrawn. The Indians are used to poverty; they have been living for years in the condition in which we now find them. It is true they do not have enough corn to see them through the season, they do not have enough sheep to permit them to eat of their capital, so to speak, and carry on, but they are not fundamentally in worse condition than they have experienced for the last 15 years at least.

However, the accumulation of the conditions I have mentioned has brought about such a situation that before spring arrives they will need the money proposed to be authorized. Mr. ZIMMERMAN said \$500,000 would take care of the Indians on the reservation who were unable to help themselves; and if we can get this bill enacted so as to start immediately to provide work for the able-bodied men who are able to work, they will get income from their work and will get along even better than they have in the past.

Mr. LANGER. Is the Senator aware of the fact that an Under Secretary of the Interior, not Mr. Chapman, but a man somewhat below him, about 3 months ago gave out a statement that it would take \$100,000,000 to take care of the Navajo Indians?

Mr. WATKINS. After seeing the condition on the reservation, and after making a study last year before I addressed the Senate on the question, I am convinced it will take all the way from \$75,000,000 to \$100,000,000 to put the Indians on a permanent basis of recovery.

Mr. LANGER. Just this morning I received a letter from Mrs. Kirk, of New Mexico, who, as the Senator knows, is chairman of public welfare of the women's clubs of the United States, stating that conditions are worse now than they have ever been in the history of these Indians, and she lives in that immediate vicinity.

Since we have already authorized an appropriation of nearly \$600,000,000 for

Austria, China, France, and Italy, does not the Senator think the sum of \$2,000,000 is indescribably insufficient, that it would be a disgrace to pass that kind of an authorization, and that it should be increased very materially while we are about it?

Mr. WATKINS. I would say to the Senator that under the program now prepared, and under the machinery we now have, \$2,000,000 will be ample until we can get to the permanent program. I realize that it is only "small change" compared with what we have been talking about in relation to the relief of Europe, but even this much will be a powerful "shot" to the Indians, I am sure.

Churches, women's clubs, and charitable organizations all over the United States have been gathering together funds, clothing, food, and other things, in considerable numbers, and have been sending them to the Indians. The War Assets Administration, at the request I think of the Bureau of Indian Affairs, has made available to the Indians rice, potatoes and numerous other commodities which the organization has on hand. The Indians have not been entirely neglected. While many fine news articles and stories have been published about the Indians, I have an impression from what I saw and from what I have read that the publication of such stories has been just a little overdone.

Mr. LANGER. Would the Senator say that Oscar Chapman, the Under Secretary of the Interior, who made a personal investigation extending over a period of several months, is competent to say what the Indians need?

Mr. WATKINS. I understand that Mr. Chapman, or Mr. Warne, or whoever made the investigation, did not ask for interim relief in any large sum, but recommended a program of about \$80,000,000 as a permanent rehabilitation program for the Indians. That is in the minds of the two committees of the House and Senate that are considering the Indian program.

Mr. LANGER. I wish to congratulate the distinguished Senator from Utah. I am very happy that the Senator has taken the action that he has taken. I know he is at heart a most generous man, but it seems to me that when the tuberculosis rate, according to Mr. Chapman, is five times as high among the Indians as among the white people of this country, when Mr. Chapman stated a short time ago that the syphilis rate is terrifically high, and when Mr. Chapman said that their hunger and want and starvation and suffering are indescribable, which he said over the radio, so that it is now known by all the people of the United States, it seems to me that for 60,000 people the sum of \$2,000,000 is wholly inadequate. I wonder if the Senator would object to increasing the amount to some extent?

Mr. McFARLAND. Mr. President, will the Senator yield?

Mr. WATKINS. I should like first to answer the Senator from North Dakota, then I will yield. I should say that inasmuch as the House has passed the pending bill unanimously, and inasmuch as

the special session probably will adjourn on the 19th of the month, I think it would be highly impractical to start all over again with an additional amount. In view of statements made by the Bureau of Indian Affairs and the studies that have been made by the two committees in both Houses, I think the amount for temporary relief is ample. I now yield to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I should like to say to the Senator from North Dakota that I greatly appreciate his remarks. I appreciate his interest in the Navajo Indians and their problems. I also wish to compliment the Senator from Utah upon the able manner in which he has presented this subject, and particularly upon the study he has made of the Navajo Indians and their problems, and also of the other Indians throughout the United States. But I would say to the Senator from North Dakota that, while I should be perfectly willing to multiply the \$2,000,000 many times, yet since the Congress is about to recess, I fear we should not obtain any authorization at all. The Public Lands Committee in each House has indicated a desire to go into the matter and carefully to map a program for the Indians. I hope it will not be a long bill. It was the thought of the committee that it should be done carefully and in such manner as to insure that the money would not be wasted. It is for that reason that an amendment has been proposed, that the \$1,500,000 be spent on duly authorized projects which have already been given consideration by Congress, and for the purpose of securing employment for those who are off the reservations. Although I am in sympathy with what the North Dakota Senator is endeavoring to do, I hope he will not object to consideration of the bill at the present time or ask that it be amended, because I feel it may prevent our obtaining action which is very badly needed. If the authorization is passed, I believe the Appropriations Committee will act quickly to give the Indians the relief they need.

Mr. WHITE and Mr. MOORE addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. WATKINS. I yield first to the Senator from Maine.

Mr. WHITE. Mr. President, I should like to say a brief word about the situation. As I understand, we are proceeding under a unanimous-consent agreement. I had the very definite understanding that there was no opposition to the bill and that it might be passed speedily; otherwise, I might have objected to its becoming the unfinished business of the Senate. I wish to impress upon Members this ultimate fact, which I think should be determinative of our attitude at the present time: We are speeding toward adjournment of this session of the Congress. Everyone, I think, or most of us at any rate, hope we shall be able to close the session during the present week. To adopt amendments to the bill at this time and to send it in amended form back to the House, which has already given its sanction to



came; the school he went to and the rights he had—the rights of freemen, the right to go to the church he loved and worship God after the dictates of his own conscience. That is what it meant to him and what it should mean to all of us today. Keep faith with the traditions of this great country! That is your challenge and mine!

## Stabilization of Commodity Prices

### EXTENSION OF REMARKS OF

**HON. RAY J. MADDEN**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MADDEN. Mr. Speaker, the President called the Congress into special session on November 17 to pass practical legislation which would reduce the high cost of living, and also to extend aid to the suffering people who were victims in war-devastated countries.

The Gallup poll recently revealed that the problem uppermost in the minds of the American people is the necessity for immediate reduction of the high cost of living.

Today the Republican leadership in this special session has submitted Joint resolution 273 as their solution to our inflationary dilemma.

This resolution is supposed to aid in the stabilization of commodity prices and further aid in stabilizing the economy of the United States.

This resolution is the Republican leadership's answer to the crying need of the American people that prices must be reduced.

This resolution, instead of effectively legislating on the 10 points which our President asked for, as necessary to stop inflation, is ineffective, impractical, and a malicious sham to fool the American people into thinking that the congressional leadership is serious in curtailing high prices.

This resolution sets up four "skim milk" provisions, so the Republican Party can tell the Nation that they submitted some kind of legislation to stop inflation.

The first provision authorizes the President to enter voluntary agreements with representatives of industry, business, and agriculture so as to provide for allocation of transportation, marketing, and so forth. This does not set out any effective penalty or power for the President to enforce such agreements. This provision is merely a vacuum and an empty gesture.

The second and third provisions set out an extension of time from February 29, 1948, to February 28, 1949, of export controls and allocation of transport facilities. These two provisions are meaningless as far as the special session is concerned because these controls will be in effect until February 29, 1948, regardless.

The last provision sets up requirements for the Federal Reserve banks. This provision in itself would not have an immediate effect on the high cost of living

throughout the country, and would eventually increase the interest of our present stupendous national debt.

The public will be amazed that this resolution contains no provision to halt the skyrocketing of rentals throughout the country.

The most astounding provision in this resolution is part (c) of section 2 which begins as follows:

(c) Parties to any agreement approved under this section are hereby relieved from the operation of the antitrust laws, and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreements and with respect to carrying out such agreement prior to March 1, 1949, in conformity with its provisions.

This paragraph no doubt was demanded and included in the resolution through the insistence of the National Association of Manufacturers. It is a continuing of the effort of the National Association of Manufacturers to nullify and weaken the antitrust laws of our country. It also coincides with their propaganda campaign to justify the record-breaking seventeen and one-half billions in profits piled up by American industry in 1947. These profits represent more than a 40-percent increase over the previous year, 1946.

Today is the first time in 14 years that the Committee on Banking and Currency has sponsored a piece of legislation, either important or unimportant, under the "gag" rule. The Republican leadership has limited the debate on this so-called inflationally resolution to 40 minutes—20 minutes on each side. The high cost of living today is staggering millions of American homes under its pressing burden. The leaders of this Congress are in effect telling the American people that this body should only have 40 minutes to debate this most important of all problems.

The American consumers, who are stretching the family budget to cover the grocery, rent, and clothing bill, should remember this legislative operation that the Republican leadership is forcing on us today.

I firmly believe that the leadership would not have submitted even this weak resolution had not their conscience haunted them for advocating their killing price control in June 1946.

Congressman HALLECK, the majority leader, states that because of the impending adjournment, we have not time to give full and extended debate to price-control legislation. The American people are expecting this special session of Congress to remain in Washington and pass legislation which will solve this important problem.

The public should secure copies of this so-called anti-inflation resolution—House Joint Resolution 273—and ask the leaders responsible for it if they are serious in reducing the cost of living in America, or if they are merely playing 1948 Presidential politics.

This feeble effort to submit practical legislation against inflation will disappoint the American consuming public. They will be fearful that they cannot receive cooperation from the leaders of this Congress to take drastic steps to reduce prices.

Our leaders fail to realize that the American people will gladly submit to sacrifice when they see disaster facing our American way of life. They demonstrated that during the war, and will gladly cooperate to prevent inflation from ruining our economy.

## An Explanation Is Due

### EXTENSION OF REMARKS

OF

**HON. REID F. MURRAY**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, I wish the Secretary of Agriculture would stay in Washington long enough between political speeches to see that the Steagall amendment is put in operation in accordance to the law. His dire predictions about the future meat supplies of the country may come true, but if they do this administration will be responsible. When the present Secretary of Agriculture was chairman of the committee to investigate food shortages the report quoted the following:

One of the factors that has shaken the confidence of producers is whether requirements, once indicated, will actually be absorbed in full by the claimant agencies at the time production becomes available.

This can be found in Union Calendar No. 248, page 3.

It is known that Marvin Jones, who had the responsibility for these situations at that time, did do something to iron them out. In the same Union Calendar No. 248, page 3, we find:

It seems to this committee that a greater degree of responsibility should be recognized by the various claimants. Their requirements once agreed upon, should represent firm commitments, and each claimant should be under an obligation to take in full the commodities claimed.

Why does not the Secretary of Agriculture, Mr. Anderson, take the same position he did when he was chairman of the Special Food Investigation Committee?

Some people want to put a ceiling on meat, as if one commodity could be successfully subjected to control. Do you suppose that they, including Secretary Harriman, want to put a ceiling on the Midwest chickens when they are bringing 10 to 20 cents per pound and the law states that the support floor is 24.8 cents per pound? If there is any doubt in anyone's mind that chickens are selling for 10 to 20 cents per pound in the Midwest, please read the following letter from a county agent, one of the employees of the United States Department of Agriculture, which is as follows:

COOPERATIVE EXTENSION WORK  
IN AGRICULTURE AND HOME ECONOMICS,  
Menomonie, Wis., December 9, 1947.  
To the Honorable REID MURRAY,  
House Office Building,  
Washington, D. C.

DEAR SIR: I am somewhat alarmed to find that poultry was selling last week for 11



cents a pound at Boyceville, Wis., and has been selling for several weeks at about 15 cents a pound. I am wondering if there isn't a support price on poultry at about 22 cents a pound.

I have contacted the local AAA chairman regarding support prices for poultry and corn, but he doesn't seem to be familiar with any program that is in effect on these commodities.

I am wondering if you would inform me as to whether or not there has been a support price for poultry and other commodities and if so I wish you would explain what methods should be used in obtaining this price for the farmers.

I am sure that you realize that it is not possible to market poultry at that price and even pay for the feed under the present ratio.

Most respectfully,

ARCHIE JOHNSON,  
Dunn County Agricultural Agent.

If you do not believe that the great bulk of midwestern chickens are not being purchased at less than the legal lawful prices, read the following market reports from the Midwest and Northwest:

Dickinson, N. Dak., Nov. 27, 1947:	Cents
Heavy hens.....	16
Light hens.....	10
Heavy springers.....	18
Light springers.....	15
Cocks.....	7
Eggs.....	45
Aberdeen, S. Dak., Nov. 17, 1947:	
No. 1 heavy hens, 4½ pounds and up.....	19
No. 1 hens, under 4½ pound.....	13
Old roosters.....	8
Heavy breed springs.....	20
Leghorns.....	16
Eggs, extras.....	46
No. 1 eggs.....	36
No. 2 eggs.....	27
Oelwein, Iowa, Dec. 1, 1947:	
Leghorn hens.....	13
Heavy hens.....	18
Leghorn cocks.....	8
Heavy cocks.....	8
Springs, over 5 pounds.....	18
Springs, under 5 pounds.....	13
Leghorn springs.....	13
Eggs, hennery.....	50
No. 1 eggs.....	34
No. 2 eggs.....	29
Muscatine, Iowa, Dec. 1, 1947:	
Heavy breed hens.....	19
Leghorn hens.....	15
Heavy breed springs.....	23
Leghorn springs.....	16
Cocks.....	12
Eggs, grade A, large.....	50
Eggs, grade B.....	40
Eggs, grade C.....	28
Wadena, Minn., Nov. 13, 1947:	
No. 1 hens, 4½ pounds and up.....	20
No. 1 hens, under 4½ pounds.....	13
Roosters.....	8
Springs, colored.....	21
Leghorn springs.....	14
Eggs, grade A, large.....	46
Eggs, grade A, medium.....	35

If the Steagall and LaFollette-Taft amendments are of any value as a part of the law of the land, why hasn't the legal lawful support been extended to these chicken producers in conformity to the expressed wishes of the Congress?

This chicken price program should be rectified at once. Otherwise the packers will make a cleaning by purchasing these chickens now below the lawful prices like they did the light hogs in the winter of 1943 and 1944, and putting them on the market next spring when the Secretary of Agriculture states that meat will be scarce. The prices that people pay for chickens in their butcher

shop is not reflected by these 10- to 20-cent chickens in the country.

This chicken situation is just one more example of the fact that the farmers could give away some of their products and still the consumer would be paying high prices for them. This indicates that there is more involved in this price situation than the price the producer receives.

### Letter From Marcus G. Cameron, Deputy Chief of Staff, Disabled American Veterans

#### EXTENSION OF REMARKS OF

HON. CARL T. DURHAM

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. DURHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

TRANSPORT DIVISION,  
OMGUS, UNITED STATES ARMY,  
APO 742, CARE POSTMASTER,  
New York, N. Y., December 4, 1947.  
Hon. CARL T. DURHAM,  
New House Office Building,  
Washington, D. C.

DEAR MR. DURHAM: I apologize to you for not having written to you sooner, but we have had the national adjutant of Disabled American Veterans over here the last of September for a 17-day tour of the American zone. The 5th of October I left for a tour of the American zone also and spent 11 days touring 3,000 miles over the farming region and dairies of Germany.

Mr. DURHAM, I traveled into the wagon roads of the southern part of this country where I could see just how the farmers were working. I viewed many thousands of acres of farms; all I could see everywhere was obsolete methods of farming. All work is done with oxen, the land is so poor from overwork that they cannot produce food in abundance. All crops were being harvested, and as soon as they removed the food from the land they were preparing the soil for the winter grain crop to feed the cattle. You would see men, women, and children in the fields working from daylight until dark. It is my opinion that if the farmers of Germany, as well as Europe, for I have found these same conditions existing in all the countries I have been in, had modern machinery, fertilizer, and the abundance of seed that they could produce three times the food that they now produce under existing conditions.

Mr. DURHAM, we are not in sympathy with the German cause or any other country that tried to dominate the world under its Nazi or Fascist leaders, but we do believe in giving them the necessary aid to get them back once more on their feet so that they can once more carry on peaceful world trade. The American taxpayers cannot continue to sponsor the burden of the European nations, neither can we take them all to the United States until we have obtained for our own American veterans homes and jobs—the men who fought that these people here might be free again.

Conditions do not look any too good to me for the future, however we will have to take what comes. It seems to me that the Russians are determined to run us out of Europe if they can devise any way to do so. If Russia can get a peace treaty to suit herself so that we will have to withdraw our occupation forces from Europe then what we fought

for is lost. As the Red armies moved across Europe westward her trained Communist organization from Moscow moved with it, everywhere the Russian Army went it cleared the path so that the Communists could move in and take over with no opposition. Russia has repeated the same tactics that Hitler and his henchmen used.

I feel that when universal military training is passed that the whole economic, social, and political situation will change for the better. The psychopathic war lords of Europe will then realize that we are just as strong as they are and will not attempt to dominate the world.

They know that as soon as we win our wars that we return to our homeland and fall asleep again, while they can prepare for the next war of aggression. They have reasonable assurance that we will not make any attempt to stop their crusade until it is almost too late.

Mr. DURHAM, you were in Congress when appropriations were made for the experimentation and development of scientific warfare, and I am sure that if Congress as well as you had not been reasonably assured that we had something that the money would never be appropriated. If Russia does not have something then why is she enslaving 25,000 Germans in the uranium mines of Chemnitz, Germany, to mine the ore for atomic bombs and flying it out to the Russian factories.

Our Post of Disabled American Veterans here have adopted and are now preparing a resolution to go to our national headquarters and with an information copy to each one of our 400 national service officers pertaining to communism and national defense.

I was also in constant contact with our constabulary of the Army during my tour, I must say that I have never seen an organization within the United States Army that could measure up with the qualities of this organization. I only wish that we had an army of 1,000,000 men that could come up to their qualifications and training.

With best regards to you and the folks in the office, I am,

Very truly yours,

MARCUS G. CAMERON,  
Deputy Chief of Staff,  
Disabled American Veterans.

### Foreign Relief

#### EXTENSION OF REMARKS OF

HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. LARCADE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following copy of an Associated Press dispatch from Athens, Greece, as follows:

ATHENS, December 15.—The Ministry of Justice today ordered an investigation into charges by the Piraeus League of Merchants that approximately \$4,500,000 worth of foodstuffs had spoiled in Greek warehouses during the last 5 months because of failure to distribute them.

The league said the spoiled foodstuffs included cheese, canned milk, sugar, powdered milk, vegetables, codfish, herring, lard, and canned goods.

The American Mission to Aid Greece previously had reported that \$75,000,000 worth of supplies and equipment shipped in by the UNRRA and other agencies were lying undistributed in warehouses and on docks.



*Scheduled program for development of authorized power projects (subject to appropriations), through fiscal year 1952—Continued*

[Figures shown in kilowatts of installed capacity]

Region and State	Projects and plants	Existing capacity June 30, 1947 <sup>1</sup>	Estimated capacity (kilowatts) to be added during fiscal year					
			1948	1949	1950	1951	1952	After 1952
Region 6 plants operated by Bureau of Reclamation:								
Montana.....	Missouri Basin: Lower Marias.....						1,600	
	Yellowtail.....							120,000
	Canyon Ferry.....							36,000
South Dakota.....	Missouri Basin: Miller Drop.....							180,000
Wyoming.....	Missouri Basin: Boysen.....							15,000
	Riverton: Pilot Butte.....	1,600						
	Shoshone: Shoshone.....	5,600						
	Heart Mountain.....			5,000				
Region 6 plants operated by Corps of Engineers: <sup>2</sup>								
Montana.....	Fort Peck: Fort Peck.....	35,000	15,000				35,000	
North Dakota.....	Garrison: Garrison.....							320,000
South Dakota.....	Gavins Point: Gavins Point.....							24,000
	Fort Randall: Fort Randall.....							320,000
	Big Bend: Big Bend.....							120,000
	Oahe: Oahe.....							400,000
Total, region 6.....		42,200	15,000	5,000			36,600	1,535,000
Region 7:								
Colorado.....	Colorado-Big Thompson: Green Mountain.....	21,600						
	Marys Lake.....				8,100			
	Estes.....				45,000			
	Quillan.....						28,500	
	Cottonwood.....						11,500	
	Rattlesnake.....						13,500	
	Flatiron Mountain.....						41,000	
	Big Thompson.....						6,700	
Wyoming.....	North Platte: Lingle.....	1,400						
	Guernsey.....	4,800						
	Kendrick: Seminole.....	32,400						
	Missouri Basin: Kortes.....			24,000	12,000			
	Glendo.....							20,000
	Alcova.....							27,000
Nebraska.....	Missouri Basin: Harlan County (Army Corps of Engineers).....						1,200	
Total, region 7.....		60,200		24,000	65,100		102,400	47,000
Total, all regions.....		2,138,137	489,000	314,000	614,100	558,500	294,000	2,276,000

Existing capacity June 30, 1947, 2,138,137; total scheduled through 1952, 2,269,600; total programmed after 1952, 2,276,000; grand total authorized projects, 6,683,737.

<sup>1</sup> Salt River Valley Water User Association hydroelectric plants (capacity 70,950 kilowatts) and Imperial Valley irrigation district plants (capacity, 14,400 kilowatts) on All-American Canal not included.

<sup>2</sup> Power marketed by Bureau of Reclamation.

### Price Control Bill

#### EXTENSION OF REMARKS

OF

**HON. LOUIS LUDLOW**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. LUDLOW. Mr. Speaker, I am perfectly clear in my opinion that the passage of this bill would not have been in the national interest. Not a single Member who spoke on the bill argued that it would meet the requirements and give the people the relief from inflation which they have a right to expect. Its best friends put it forward merely as a stopgap measure and the best that can be had in the limited time of the special session that it left. There was great danger, in my opinion, that if we had passed this bill it would stop the gap permanently and would be used as a means of foreclosing effective legislation on the subject at the regular session of Congress which is coming in a few weeks. This sort of a bill must not be used as an

excuse to prevent real legislation on the the subject and it will not be with my vote.

When I read the bill I wondered if it would not be more in the interest of monopoly than of price control. To say the least the liberality with which it would suspend the antitrust laws calls for close inspection. I do not challenge the good faith of the proponents of the measure, whose sincerity I do not doubt, but I feel it is simply an impossible bill when it comes to meeting the country's requirements. The biggest job before the Congress is the enactment of legislation to hold down the spiral of price inflation and I do not think it should be approached in this lick-and-a-promise way by attempting to jam through under suspension of the rules, with only 40 minutes debate, a measure which, curiously enough, was defended in a wholehearted way by no one, not even by those who proposed it. Our patriotic duty was to kill this bill and then do a real job of price control after full consideration and ample debate when Congress reconvenes after the holidays.

### Air Force Reserve

#### EXTENSION OF REMARKS

OF

**HON. MARGARET CHASE SMITH**

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mrs. SMITH of Maine. Mr. Speaker, for a long time now I have been urging that the Air Force Reserve be given parity with the other civilian components of the armed services. It has been my privilege to introduce most of the original Reserve legislation in this Congress. Among the foremost of the measures which I have sponsored are those proposing, first, inactive training pay; second, Reserve retirement; third, death and disability coverage for reservists in training; and, fourth, the creation of a Reserve Medal and Reserve Special Commendation Ribbon in recognition of peacetime Reserve service.

It is therefore most gratifying to me that the National Aeronautics Association, an organization of top-level leaders



of all segments of aviation, passed the following bill of policy at its annual air clinic last month:

**STRENGTHEN THE AIR RESERVE BY THE FORMATION OF READY UNITS IN ALL AREAS, TRAINED AND EQUIPPED FOR EMERGENCY.**

Be it approved by the delegates to the Fifth National Aviation Clinic:

**SECTION 1.** Since the Regular Air Forces can be maintained in peacetime at only a small part of the strength required in war, a large and ready Nation-wide reserve is essential to fast mobilization.

**SEC. 2.** The Reserve of the United States Air Force is without combat aircraft, pay, and incentives, and adequate facilities such as have been granted to the Naval Air Reserve and the Air National Guard. Only a small percentage of its officers and even fewer enlisted men are training, at a limited number of points. Recruiting and training of young people is insufficient for reserve replacements.

**SEC. 3.** Congress is urged at once to increase funds for the Air Reserves so that modern combat aircraft and other needed equipment may be used by the Reserve and new equipment may be developed for economical use on small airports within reach of reservists who lack access to larger fields.

**SEC. 4.** The pending legislation for inactive duty pay, retirement, and other measures to raise the Air Reserve to a parity with other reserves should be passed; all legislation should be codified in a single Air Reserve Act.

**SEC. 5.** To conserve Federal funds, provision should be made for contracts at civilian airports for flight and ground training of air reservists and Air Reserve prospective recruits.

Mr. Speaker, this realistic and comprehensive act of endorsement of parity for the Air Force Reserve stems directly from the intelligent determination and patience of Lt. Col. Kendall K. Hoyt. I urge the most serious consideration of this NAA bill of policy by every Member of Congress.

### Down to Earth

EXTENSION OF REMARKS  
OF

**HON. CLARENCE CANNON**

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. CANNON. Mr. Speaker, under leave granted to extend remarks in the RECORD, I am including an excerpt from one of the great farm journals in America.

No one has ever accused Wallace's Farmer of being partisan. If it leans in any direction, it leans toward the party which dominates the State in which it is published. Likewise neither General Marshall nor the Marshall plan are partisan.

For that reason the following editorial from Wallace's Farmer and Iowa Homestead is particularly timely:

#### WE'LL HELP EUROPE—AND OURSELVES

What difference does it make to you as a Corn Belt farmer whether Congress sends emergency help to Europe? It makes this much difference.

1. If European nations can work their way back to a modest prosperity, chances of another war will shrink. Your younger boy may not have to fight.

2. If Europe revives, our lard, cotton, fruit and tobacco exports will be helped. And farmers will sell more meat and butter at good prices to city workers who make goods for the export market.

The revival of Europe may mean peace and profits to Corn Belt farmers. If Europe slips back into anarchy we'll pay for it in war and depression.

It is good news to farmers, therefore, that Congress is apparently going to rush emergency aid abroad. It will be better news if the Marshall plan for 1948 aid also goes through early in the year.

But some ask: Can we help Europe by heavy exports without bringing on a worse inflation here?

In the first place, 1948 exports will not be heavier than in 1947.

In the second place, our inflation is a product, not only of high demand but of bad handling of credit.

If Congress puts back controls of installment credit and fixes ways of preventing a further boom in bank loans, inflation can be checked.

Congress can help Europe and check inflation at home, too. Both need to be done.

### Can American Dollars Save Europe From Communism?

EXTENSION OF REMARKS

OF

**HON. JOSEPH H. BALL**

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of  
Thursday, December 4), 1947

Mr. BALL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address entitled "Can American Dollars Save Europe From Communism?" delivered by me on December 13, 1947, at Philadelphia, Pa., before the Philadelphia Foreign Policy Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The genesis of the Marshall plan was two sentences in a speech by Secretary Marshall at Harvard last June, in which he suggested that it was about time Europe tried to help itself, and that then we might feel better about helping them. Sixteen nations met at Paris and did two things. First, they decided on a level of living standards for the 200,000,000 people in their countries for the next 4 years and a level of production they would like to achieve by the end of the 4 years, in most cases considerably above pre-war levels. Then they estimated how much of the materials to reach these goals they could supply themselves and the deficit, \$22,000,000,000, is the Marshall plan, so-called.

Of course that is not a plan at all, in the sense that it includes any specific and detailed series of projects to increase Europe's production. Reports are that the first figure was twenty-nine billions. Will Clayton persuaded the nations to lop seven billions off, and our own Harriman committee cut it several billions more. But there is still no plan that anyone can get his teeth into. What is sought, apparently, is authority for the Administration to spend from four to six billions a year for the broad purpose of European recovery.

Although I am critical of such a vague proposal to spend more American billions in the same way that twelve billions have been

spent unsuccessfully in the past 2 years, let me emphasize here that I have no quarrel whatever with the fundamental premise of the Marshall plan.

A free and economically solvent Europe is a sound objective of our foreign policy; it would be tremendously to our advantage, and if substantial assistance from us stands a reasonable chance of achieving it, then the expenditure is justified on the basis of national self-interest. But I do want assurance that our expenditures stand at least a 50-50 chance of achieving results, and I am very certain that if the Administration is left free to pursue the policies it has pursued in the past, it will fail again. Therefore, I believe Congress must insist on some severe restrictions and conditions on any future grants of funds or authority.

One of the major arguments by the proponents of this plan is that unless we extend this aid Europe will be taken over completely by the Communists. In other words, we must buy off Communist aggression with American dollars.

Granted that severe economic distress provides more fertile ground for Communist treachery, that argument still does not jibe with facts. Nowhere have the Communists ever taken control of a country through the free choice of the people, whether the people were hungry or not. Always the Communists have been a minority, usually a small one, which seized power by naked force, usually with the backing of the Red Army. Then the Communists proceed to exterminate all political opposition, liquidate freedom, and bleed that country to the limit for the benefit of Soviet Russia. The people are always worse off than before.

That is what has happened in one country after another in eastern Europe. With that horrible example of what Communist dictatorship means right next door to them, is it logical to assume that the peoples of Italy, France, or any other country will freely choose that course out of their troubles, regardless of how serious these may be? I cannot believe it. To use a favorite metaphor of the Marshall-plan proponents, that is like saying that a man whose house is burning will pour gasoline on the flames unless you help him carry water.

I agree completely that Communist dictatorship and aggression are the most serious threat to both world peace and recovery today. But it is a threat based on power and force. The fifty-odd Russian divisions in eastern Europe have a lot more to do with it than economic problems in western Europe. Like the Nazi dictator, the Communist dictator will be finally stopped in his aggressions by the presence, or if worse comes to worst, by the use of superior force. It is just as dangerous and wrong to try to fool the people into believing that we can buy off Communist aggression with dollars as it was to try to appease Hitler.

It has been argued that if we attach conditions to future loans and grants we will not only spoil the effect of our gifts but that we would be accused of interfering in the internal affairs of the countries we help. Being an international Santa Claus is becoming a bit too expensive, and as for interfering with their affairs they don't have to take our money if they don't want it, and maybe it's time somebody did do a little interfering. They don't seem to be managing so well by themselves.

No aid program can be put on a humanitarian basis, deeply as we may feel about Europe's plight. Congress has no power under the Constitution to appropriate public money for charity abroad and we would violate our oaths if we acted on that basis. Likewise, our assistance cannot by any stretch be termed an economic investment. If conditions in Europe were such that these expenditures would be a sound economic investment, there would be no need for gov-



not stop with that. We make the concept of watershed management a basic part of our national-forest administration. In other words, we are directly concerned with regulating streamflow, reducing the danger of floods and soil erosion, and protecting the sources of water for irrigation, power, navigation, and domestic use. We are just as directly concerned with that as with timber and range conservation.

I might add that the Forest Service has developed proposals for intensifying the Nation's forest-conservation effort on the public lands and on private lands in co-operation with States and individuals. The program would include important additional aids to private forest land owners and public regulations to prevent destruction of forests and protect watersheds.

When the pioneers of the dry regions of the West asked, "How far is it to water?" they were not thinking of the headwaters of the streams, but today you and I must think about the headwaters. We dare not forget that if we are to guarantee the long life and continued usefulness of an irrigated farm in the Salt River Valley we must start with the conservation of a forest hundreds of miles away, in a roof area that cradles the headwaters of the stream.

If anyone doubts this, let him take note of what has happened in Germany since the beginning of the war. You know, the Germans were good housekeepers and kept their hills forested. They sacrificed the forests only slightly to meet their war needs. But I am informed that when the Russians came into eastern Germany, they promoted the rapid cutting of timber from the hilltops, gave a bonus for rapid timbering, with the result that the hills are bare and the streams which were always clear and clean are now running red with silt. I cannot vouch for the situation in eastern Germany, because the Russian Government didn't invite me to go visiting on my trip to Berlin last July, but American observers in western Germany and France have told me that those reports on eastern Germany are true.

What I'm saying is that, because you are interested in reclamation, you are directly concerned with forest conservation.

And just as surely, because you are interested in reclamation, you are concerned with the conservation not only of forests, but of farm and range land above the dams.

Through the agricultural conservation program and the soil-conservation service, the Department of Agriculture cooperates directly with farmers and ranchers as individuals and with the soil-conservation districts they set up. The whole public, working through the Department, helps to pay the cost of farm and range practices which prevent erosion and save the soil for future generations. This is a gigantic program, and virtually every farmer and rancher in the West cooperates in it. One small example is the fact that in the 1945 program ranchers carried out good grazing land management practices on 81,000,000 acres.

The Department also provides technical assistance to the operators of land in Soil Conservation districts. There are 900 districts in the 17 western States and they embrace more than 500,000,000 acres. Watershed protection is, of course, a big part of the work of the districts. In these districts, the land operators set up an over-all conservation plan and keep their individual plans geared to it. Where those individual plans cannot meet the needs of the whole district, they may plan and carry out cooperative projects such as the construction of small dams or waterways. In some cases, the district plans are broadened to serve the needs of people far beyond the district. For example, river basin flood control plans made by the Department and the Army engineers under the flood control acts often call for land treatment or structures especially de-

signed to control run-off, to prevent the sediment of streams down the valley, and to help prevent loss of life and property from floods in the lands below. In such projects as those, the public may foot the big end of the bill.

Of course, our special flood control work is relatively slight, and although much more of this is needed, we will make our effort to take care of the flood and silt problem as far as it is our responsibility through programs of forest, farm and range conservation. And believe me when I say that we will do this work in the friendliest spirit of cooperation with the Bureau of Reclamation and the corps of engineers who have responsibilities along with us and sometimes greater than ours in the fields of flood and silt control.

Now, in a moment, I want to take you to the dam and on below to see the work we are doing there. But there is one more item above the dam. So far, I've been talking about work which serves to protect our upland resources as well as to safeguard the precious dam sites that nature has given us.

The snow survey, on the other hand, is a job that's done above the dam for the direct benefit of irrigation agriculture. In 1946 the Soil Conservation Service, in collaboration with State and other agencies, made about 2,300 snow surveys. As an example of the value of these surveys, consider the experience of farmers in Crook County, Oreg. The surveys told them they would have an unusually large water supply in 1946. As a result of this advance information, they cropped an additional 4,000 acres, which produced crops worth \$400,000. All this in a single county.

Now let's move on down to the dam. The Department of Agriculture has a direct interest in what's going on there, too. We're concerned with power development. And we are concerned with the power shortage, which is a special problem in areas where fuel for power generation is not available. We administer a program of rural electrification, one of the most popular Government services that the country has ever had. As fast as our funds permit, we lend to the farmer cooperatives in areas that the old power lines have missed. And the members of those cooperatives begin to enjoy the conveniences and the increased farming efficiency that are to be had from the use of electric power.

The power generated at the dam concerns us in another way too. Our responsibilities for maintenance of farm prices and income and for improvement of marketing and distribution keep up on the lookout for better markets and new opportunities for farm people. I have strongly recommended that Congress pass legislation enabling the Department of Agriculture and other Government departments to help meet some of the problems of rural industrialization.

Electric power is a base for many industries here in the West—industries to which western agriculture can supply raw materials and food for the workers on the industrial pay roll. These industries also can supply opportunity for some of our farm people as agriculture becomes more efficient and requires fewer people. It is extremely fortunate that the same projects which give us irrigation water give us electric power where it is needed for farm and industrial use and where extensive power generation might not otherwise be feasible.

So we look on electric power as a tremendous aid to our programs for helping low-income farm families get on their feet and for protecting the income of all farm families.

The dam, the water it impounds and controls, and the electric power it generates are wonderful assets to the agriculture of the West and, for that matter, to the whole Nation.

But to the farmer in the valley below, the dam is only a tool and the electric power is not his major concern. He is concerned with the water, the lifeblood of his farm business.

As the water is released from the reservoir through the tunnels, out into the canals, it becomes irrigation water.

So let us go below the dam and see how the water is used.

Through the years, in response to the needs and wishes of irrigation farmers, the Department of Agriculture has developed a large number of services and has made special adaptation of its general program to meet the peculiar requirements of irrigation agriculture. I shall confine my discussion to these special features because to discuss the more general services of the Department—even to name them for you—would take too long a time. Suffice it to say that many of our programs and services, such as rural electrification, cooperative soil surveys, market reports, and agricultural outlook information, apply to agriculture generally, including irrigation agriculture.

As an example of a direct aid to the irrigation farmer, consider the agricultural conservation program under which payments are made to help farmers improve their irrigation systems and to use practices that prevent erosion, leaching, and seepage. Accomplishments under this program were a surprise to me. To illustrate: During a single year—1945—over 2,000,000 linear feet of siphons and flumes were installed; almost 34,000 cubic yards of concrete and rubble masonry were placed in check dams, drops, weirs, and similar structures; over 50,000,000 cubic yards of earth were moved in leveling more than 600,000 acres on 12,900 farms; nearly 9,000,000 cubic yards of earth were moved in relocation and construction of permanent ditches and laterals; and over 10,000 other farmers were aided in the installation of drainage ditches—all in the 17 Western States.

Furthermore, the Soil Conservation Service provides specialized technical assistance. This agency has, in a few short years, assisted farmers in planning improved irrigation systems for 22,400 farms covering 2,000,000 acres. Among other things these plans call for the preparation of a million acres of land, principally by leveling. More than one-third of this great leveling job has already been accomplished. In addition to this work on individual farms, plans have been prepared for some 600 group-irrigation enterprises involving an area of more than 800,000 acres. Three hundred and fifty-eight of these jobs have been completed.

Recent research findings of the Department, working in collaboration with other Federal and State agencies, will greatly increase the efficiency and financial returns of irrigation farming. For example, improved disease-resistant plant varieties have resulted in increased crop yields, as have studies in improved utilization of water and fertilizer. In the lower Colorado River Basin, research has shown that it is possible to increase the yield of alfalfa to 10 tons per acre, or twice the average yield of the area. In the Columbia basin, where yields of corn have averaged about 50 bushels per acre, fertility studies have shown that production can be increased to 130 bushels per acre. Similarly, potato yields can be increased from 355 to 615 bushels per acre.

The removal of weeds from irrigation ditches and canals with dragline and chain costs irrigation projects upward of a million dollars each year. Department of Agriculture weed specialists have found a simple chemical which promises to eliminate this chore and much of the expense. Other chemicals have been found which can be substituted for expensive mowing and burning to keep down willows and other heavy growth along banks.



The greatest single hazard in irrigation farming is the salt problem. In a relatively few years a prosperous community can be utterly ruined by the accumulation of salts in previously fertile soils. As we become more and more dependent upon irrigation agriculture, we more and more urgently need weapons to combat this creeping paralysis. This need resulted in the establishment of the Regional Salinity Laboratory at Riverside, Calif. Here research is conducted in the chemical and physical factors affecting soil permeability, the selection and improvement of drainage methods, the reclamation of alkali lands, the survey and diagnosis of saline and alkali areas, plant tolerance to saline soils, and in similar fields.

Irrigation requirements differ in different localities due to variations in soils, climate, crops, topography, and water source. Excessive use of water is costly not only in dollars but in loss of productivity through leaching, erosion and waterlogging. The Department constantly renders assistance to irrigation farmers in different areas by helping them determine their water requirements and to institute measures that save water.

Still another special type of service is rendered by the Bureau of Agricultural Economics. This agency carries on investigations dealing with the various economic aspects of irrigation development and irrigation problems. Such investigations include studies of irrigation development possibilities throughout the West, factors affecting the ability of farmers to meet water charges, circumstances contributing to the financial success or failure of various types of irrigation enterprises, management problems of irrigated farms, and analyses useful in planning new projects.

These activities and the storehouse of factual knowledge back of the activities are important to the farmers on all irrigated land, regardless of where the water comes from. The Department started doing such work in response to the needs of farmers using water from privately developed irrigation projects. That's all there was for many years, and the privately developed areas still make up 16 to 18 million acres out of our total of 20 to 22 million acres of irrigated land. The same services and information are equally available and useful to the people who operate the 4,000,000 acres which are irrigated entirely or partly with water from Federal reclamation projects. The experience and programs of the Department are also available to help guide the selection and development of new areas on a sound basis and can help minimize the hazards to farmers who settle on newly developed lands.

I use these examples to assure you of the deep interest of the Department of Agriculture in the present day problems of irrigation farmers. We sincerely desire to advance irrigation agriculture to the fullest extent possible under existing legislative authorities and fund limitations.

Right now the development of the western water resources is proceeding by leaps and bounds. For this, great credit must go to the Bureau of Reclamation and to many congressional leaders of the past. We are inspired, and even somewhat awed, by the vast magnitude of the Bureau's plans for storing the precious waters of our western mountains behind towering dams so that those waters can give life to arid lands, and so that they may yield electric power that will bring into being great western industries. I pay sincere tribute to the great engineering organization which is carrying this work forward—one of the finest of all the Government agencies.

I likewise pay tribute to the men of science in the laboratories and fields of the Department of Agriculture—to the agronomists, botanists, chemists, geneticists, pathologists, and the others who delve into the mysteries of living things—for agricul-

ture will always be the cornerstone of the economy of the West.

We realize, moreover, that the agriculture of the West—as it is stabilized, expanded, and strengthened—will become an increasingly vital part of the Nation's agricultural plant. It is of utmost importance that western agriculture should be developed as an integral part of the Nation's agriculture. We must see to it that this is done.

America needs the full contribution of western agriculture in meeting the critical world food shortage of the present, and we need an even greater contribution from the West in meeting our long-range needs.

At the moment, our agriculture is hard pressed—and probably it will be for some time—to meet the abnormal demands from abroad. Last year we supplied more than 52 percent of the total world exports of grain although in the prewar years we had supplied less than 5 percent of a slightly smaller total. This year the problem is even greater. Bad weather has reduced crops in western Europe, which is cut off from many of its normal sources of supply and which has 20,000,000 more people to feed than before the war. Furthermore, weather damage to our corn crop has reduced our own supply of grain by an amount greater than last year's record exports. Australian hope of good crops is one bright spot in the picture. But bad weather has cut the Canadian wheat crop. And Argentine farmers, because of their own peculiar problems, have reduced their wheat acreage.

The foreign demand, coupled with the fact that our own people are consuming food at a rate 17 percent greater than before the war, puts a terrific pressure on American agriculture.

Western European countries have reported they will need extensive aid from us in developing their cooperative program of self-help. If financing is provided by Congress, aid to western Europe along with demands from other parts of the world will keep American agriculture hustling to keep up for several years.

Meanwhile, we must strengthen our agriculture as much as possible through conservation and other means, and we must plan for the long-range future.

As you know, the Department of Agriculture in recent congressional hearings has proposed long-range national policy and programs seeking organized, sustained and realistic abundance. This was based on many facts which can be stated quite simply. The simple fact is that, although we have had and are continuing to experience a revolutionary expansion in farm production, we have potential markets for the products of our entire acreage. It is up to us to conserve our resources that we may establish a permanent, productive agriculture, that we may accept the blessing of abundance and find ways of balancing that abundance with effective demand. The wants of our own people, plus a reasonable amount of world trade, can give agriculture a completely adequate market. That is the hope and the challenge of a policy of abundance.

I know the West welcomes both the hope and the challenge, for the spirit of this land of sun and saddle leather is a spirit of courage, progress, hope, and realistic idealism.

In the spirit of the pioneers who inquired the distance to water and then proceeded to bring the water to their land, no matter what the distance, the new West is assuming a vital role in the epic drama of American agriculture. The cotton, the fruit, the potatoes, and the cattle of irrigated lands become inextricably intermingled with the products of rain-belt areas.

From that fact we learn this lesson: Just as we are one Nation, indivisible, we are one agriculture, indivisible.

And just as there must be liberty and justice, there must be opportunity for all.

Your Department of Agriculture always stands ready to help bring assurance that there is and ever shall be opportunity for western ranchers and farmers in the indivisible agriculture of the United States.

## Inflation

### EXTENSION OF REMARKS OF

### HON. ROBERT A. TAFT

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of  
Thursday, December 4), 1947

Mr. TAFT. Mr. President, I ask that there be inserted in the Appendix of the RECORD, for the information of the public, a statement of the Republican Policy Committee, regarding inflation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We are deeply concerned over the steadily rising prices. Already these prices impose great hardship and suffering on many families. We are equally concerned because so many individuals and groups are seeing excessive gains. If the spiral continues the ultimate adjustment may be drastic, threatening a serious depression. We must adopt immediately policies which will stabilize prices, and encourage the raising of lower incomes up to the new price level.

Many committees of Congress under Republican leadership have been studying the causes of rising prices and the sound methods of preventing further increase. In particular, three subcommittees of the Joint Committee on the Economic Report have held hearings in the East, Midwest, and far West, and all committees have been meeting steadily since our return 3 weeks ago.

The present condition, while growing out of the Second World War, has assumed dangerous proportions because of the policies of the administration which has controlled this Government for the past 15 years—the policy of first restricting production, of devaluing the dollar, of deficit spending, of exporting unnecessarily goods essential for our own economy, and now of tremendous government expense and corresponding taxation reflected in the price of every product bought by 40,000,000 families. The administration now seeks to impose controls on the effects of inflation while it continues to encourage the conditions which cause inflation.

We believe that the sound approach is to strike at the fundamental causes of inflation rather than permit these causes to go on operating and then vainly attempt to prevent the inevitable results by arbitrary bureaucratic controls. Such controls have failed in time of peace to remedy the causes of inflation wherever they have been tried. Furthermore, the primary solution is to increase production and, since this is a slow process, to curtail unnecessary spending in the meantime, particularly that brought about by credit expansion for nonproductive purposes.

The program on which our committees are now working may be stated in general terms as follows:

1. Encourage the increase of production as rapidly as feasible.
2. Eliminate nonessential Government expenses, and reduce debt and taxes.
3. Restrict exports, particularly to countries which have not suffered the devastation of war. This means an extension of the Export Control Act for another year. Legal power to restrict exports has existed for the



past year, but deliberate Administration policy has permitted practically unlimited export, so that \$10,000,000,000 of goods and services have left this country without any corresponding imports. This is one of the principal causes of the rise in prices. Most of these exports have gone to countries outside of Europe.

4. Discourage further increase of bank credit for nonproductive uses. The Administration has failed to use effectively the power which it has had to restrain bank credit. The Administration's representatives are in disagreement today as to the method of carrying out the President's recommendation. We must not act without the most careful consideration, particularly since it affects the proper management of our huge national debt. Our committees are still studying this problem and will report at the regular session.

5. Discourage undue increase of consumer credit.

6. Support a voluntary program to eliminate waste in the use of grain and food.

7. Support a general program to encourage all those in a position to do so to save more.

8. Authorize the President to enter into temporary voluntary agreements with industries to limit inventories and authorize priorities, so as to remove bottlenecks in the production of vital commodities. If it appears that voluntary controls are inadequate to meet specific problems we will consider the granting of authority to meet such particular problems.

9. Extend rent control for another year, making such adjustments as are required to give just treatment to tenants and owners alike.

10. Give authority to the extent necessary to prevent improper and excessive speculation on commodity exchanges.

Under the foregoing program we shall attempt at this special session to pass the following legislation:

1. A bill (a) extending for another year the export control power;

(b) extending for another year the control of transportation;

(c) to permit temporary voluntary agreements on inventories and priorities.

2. An appropriation bill to provide funds where necessary to carry out recommended programs.

The definite working out of the foregoing program will be done by the committees of Congress which have initiated it under Republican leadership; and specific legislation dealing with phases of the general program which it has not been possible to study completely will be considered at the regular session.

The present administration has failed to stimulate the initiative and other elements of individual freedom which have made our country the strongest, our people the happiest and freest on the face of the earth. We intend to do our best to give those principles of freedom another chance to operate for the greater benefit of all, with only such restraints as the Government must impose to make them operate wisely.

### Veterans' Legislation

#### EXTENSION OF REMARKS OF

**HON. EDITH NOURSE ROGERS**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

VETERANS OF FOREIGN WARS  
OF THE UNITED STATES,  
Kansas City, Mo., December 11, 1947.

HON. EDITH N. ROGERS,  
Chairman, House Committee on Veterans' Affairs, House Office Building,  
Washington, D. C.

MY DEAR MRS. ROGERS: I am keenly disappointed and somewhat discouraged over the failure of the leadership in the special session of Congress to give consideration to date to some very vital veteran legislation which was acted upon favorably by your committee during the first session of the Eightieth Congress. I particularly refer to legislation which would grant a much-needed increase in subsistence allowances payable to veterans trying to avail themselves of the educational provisions of Public Law 346, as amended, as well as to increase the ceilings affecting trainees taking on-the-job training and legislation to liberalize the granting of automobiles to amputees. There are many other important items which made some progress in the first session and which we believe could be disposed of with a minimum of controversy in the special session.

I deeply regret that an impression has been mistakenly given that the major veteran organizations were not concerned or interested in having the special session take up and consider vitally needed veteran legislation. I cannot speak for other organizations but I can assure you that the Veterans of Foreign Wars was hopeful and had expected that some of this legislation would be disposed of during the special session. I know that you are aware that literally thousands of World War II veterans have been forced to abandon their schooling and other thousands are barely hanging on. It seems to me that here is at least one instance where the special session could dispose of pending legislation without waiting until the second session and thereby provide the necessary encouragement and additional funds which would permit these veterans students to remain in school and not be compelled to drop out before action can be taken in the second session.

On two occasions I have written to the leadership of the present Congress urging that some consideration be given to vitally needed veteran legislation during the special session and stated that millions of veterans would have difficulty in understanding why all emphasis should be given to the relief and rehabilitation of foreign nations while neglecting the problems of our own citizen veterans who are attempting to rehabilitate themselves under promises made by a previous Congress. The VFW is not opposed to reasonable and practical aid to the destitute and hungry of Europe but we do believe that the problems affecting our own citizens should not be neglected.

Prior to the opening of the special session I addressed communications to Speaker JOSEPH W. MARTIN and Senator ROBERT A. TAFT, chairman of the Republican Policy Committee, which copies to other congressional leaders, making an appeal for consideration of certain veteran legislation which had been considered and on which some progress had been made during the first session, Eightieth Congress. In this communication to congressional leaders I enumerated several bills which had either passed one or the other branches of Congress or had been reported favorably by a Senate or House committee.

In the absence of any action to date and with information reaching me that an impression was being given to veterans that the veteran organizations were not asking for consideration of veteran legislation in the special Congress I have again written to Speaker MARTIN reminding him of my earlier plea and asking that at least some of the vital veteran legislation be acted upon be-

fore the close of the special session. I hope you will continue your efforts to persuade the leadership to permit some of this legislation to be brought up for action and that you will be supported in your demands by many other Members of Congress. Our veterans know and understand that action in the special session is not necessarily limited to European relief and rehabilitation and that the determination of what matters shall be considered rests upon the leadership of the present Congress.

Assuring you that you have our wholehearted support in your efforts to obtain consideration of at least some of this most important veteran legislation and with best wishes for success, I remain.

Respectfully yours,

OMAR B. KETCHUM, Director.

### Russians Want To Smash Plans for Europe Aid To Upset the Entire Continent

#### EXTENSION OF REMARKS

OF

**HON. THOMAS J. LANE**

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. LANE. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I insert in the Appendix an article which appeared in the Boston Sunday Post December 14, 1947:

RUSSIANS WANT TO SMASH PLANS FOR EUROPE  
AID TO UPSET THE ENTIRE CONTINENT—  
FOOLISH FOR AMERICA TO EXPECT COOPERATION  
FROM THEM NOW, WHEN THEY GAVE  
NO AID TO US EVEN IN WAR

(By John Griffin)

Another meeting of the Big Four is about to break up with nothing accomplished except some new insults. The London conference is going just the way all meetings with the former Allies have been going; apparently the Russians are determined that they will not offer any cooperation.

General Marshall has finally lost his patience and has told off the Russians in clear terms. It has always been obvious to many people that there is no way of getting anywhere with the present leaders of the Soviet Government, but certainly the United States has made every honorable effort.

This time the immediate cause of dispute is reparations, just as it was more than a year ago. Despite all the conference and all the high hopes, the situation remains just as it was, which means that the United States is contributing heavily to Russian economy.

#### GIVING IT TO THEM

The United States is pouring money into Germany in an effort to rehabilitate that country, and Russia is taking it out in reparations which have amounted, according to British figures, to \$7,000,000,000.

Every time the subject is mentioned, Mr. Molotov answers with a barrage of insults and accusations. Every speech he gives is apparently designed for the Russian people, and he uses the conference just as other Russians use the United Nations, as a platform from which to deliver propaganda.

The fact is that Germany cannot be brought back economically so long as the Russians refuse to cooperate. Even though the British and Americans have unified their zones as far as the German economy is concerned, there will be no real revival without unification of the four occupied zones.



That fact being clear, there can be no doubt that Russia does not want a revival of Germany, for that might mean a prosperous western Europe. They prefer disorder and chaos, which is supposed to be an advantage to those seeking to communize the world.

It is not surprising that Molotov has refused to cooperate at the London Conference, for why should he be expected to work for unity there while Russia is seeking to bring about disunity everywhere else in Europe?

Timed nicely with the London Conference has been the Communist uprising in France and the disorder in Italy which was sponsored also by the Communists. The French uprising was quickly dispelled, and apparently the Communists in Italy have also failed.

#### PART OF PROGRAM

Obviously all these elements are part of the Communist program for Europe. Obviously the Russians want to break things up before the Marshall plan can become effective. And part of their scheme calls for a complete refusal to work with other countries which have been their allies.

If the Russians failed to cooperate with Britain and the United States during the war, when they were fighting a common enemy, it is not likely that they have any intention of cooperating now unless cooperation means getting their own way in everything.

Maj. Gen. John R. Deane, who was head of the United States military mission to Moscow during the war, has written a book called *The Strange Alliance*, published by the Viking Press. In it he makes clear that there was a minimum of cooperation by the Russians all through the war.

The United States sent them billions of dollars worth of materials and did everything possible to coordinate activities, but through it all the Russians were so suspicious that they would not give any information about their own activities and refused to share the military knowledge they had learned.

General Deane's book is a most revealing story of suspicion and self-interest on the part of the Russian leaders. And this was during a period of war when their existence was at stake. In view of that, it is probably expecting too much for the Russians to show any cooperation now.

#### HONEST EFFORTS

All this is undoubtedly clear to our own State Department, but in spite of it American leaders have kept hoping that something satisfactory could be worked out with the Russians. A succession of American officials have undertaken the job of trying to work out some sort of cooperation, but none has made any progress.

Secretary Marshall clearly had no illusions when he set out for London, but he expressed a determination to throw aside all previous unpleasant experiences and to try to work out something at London. It is obvious now that his goal is not going to be reached. It is equally obvious that no one else can attain it either.

No one has been able to solve even the reparations problem in Austria, let alone the greater problem of Germany. In Austria the Russians still insist upon taking as reparations industries that were originated and developed by the Austrians and which were later seized by the Germans.

These industries, in the view of the other allies, are Austrian assets and never were legally German properties, but the Russians are taking everything they want, regardless of the fact that indirectly the United States is paying for them.

Obviously this can't go on indefinitely. The American people have responded to the sad plight of Europe and are willing to give and give of their substance under the terms of the Marshall plan. But sooner or later

there is going to be a wave of resentment in America that will demand that we stop supplying funds and materials for the use of the Russians.

There has got to be a time when we refuse to do any more dickering with the Russians. They aren't going to play ball with us, and there is no point in a constant exchange of insults, which is what the various conferences produce, and which seems to be the principal output of the United Nations.

If we couldn't get any assistance from them as allies in a desperate war, what chance is there in getting cooperation at a time when they are determined to grab everything in sight?

#### Landon on Marshall Plan

#### EXTENSION OF REMARKS

OF

#### HON. HENRY D. LARCADE, JR.

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. LARCADE. Mr. Speaker, under previous authority to extend my remarks and include a newspaper article, I wish to submit an article by Mr. William Philip Simms, columnist, which appeared in the *Washington News* of date December 13, 1947, as follows:

#### LONDON ON MARSHALL PLAN

(By William Philip Simms)

America's greatest single need, Alf. M. Landon, ex-Governor of Kansas and former Republican standard-bearer, told this writer in an interview here, is to make itself strong both militarily and economically.

"The little guys in this country," he said, "are in a fix. But as bad as their fix is, it would be far worse if America lets her defenses down and becomes involved in another war."

He expressed complete approval of the Marshall plan. But he warned against allowing it to give the people of this country what might be called a Maginot-line complex.

Rightly handled, he said, the Marshall plan would be of enormous help in getting the world back on its feet. But, he went on to say, it will take more than that. Unless law and order abroad are sufficiently restored to give the plan a chance to be effective, and especially unless currencies are stabilized, the plan won't work.

We may as well face the fact, he continued, that for some years we will be teetering on the abyss of another war. And we must act accordingly. That is why in his opinion current discussions in Congress are the most significant since the Lincoln-Douglas debate. Its outcome will determine not only our domestic policies but our position in the world as well.

In Mr. Landon's view one of our biggest issues is how we can face up to Russia's "undeclared war" on the United States. He was not a military expert, he said, but he has devoted considerable study to our defense needs, and here are some conclusions:

First, the next war won't be just a "blitz"—it will be supersonic.

Second, we won't have just a two-ocean front to defend, but a third front along the Arctic Circle.

Third, Arctic Circle bases are imperative.

Fourth, the next war will be an air war, hence a constantly improving air force also is vital.

Fifth, while the biggest navy in the world is not out of step with future warfare, the needs is for plenty of floating air bases—carriers, submarines, and the proper auxiliaries.

Sixth, we should have a Regular Army four or five times the size of our prewar Army; a bigger and more efficient National Guard and organized reserves.

Seventh, proper and efficient intelligence forces and—most important of all—whatever it takes to keep us well ahead of the procession in nuclear physics.

Mr. Landon expressed himself as maintaining an open mind with regard to universal military training. He does not believe it is necessary now, but he admitted it may be sooner or later.

The importance of pronouncements by Mr. Landon, it should be pointed out, is considerable for two reasons: First, he is a national figure of accepted political astuteness, and second, he hails from Kansas, where the grass-roots really grow.

#### Address by Hon. Robert A. Taft at Two Hundredth Anniversary Dinner of the St. Andrew's Society of Philadelphia

#### EXTENSION OF REMARKS

OF

#### HON. ROBERT A. TAFT

OF OHIO

IN THE SENATE OF THE UNITED STATES

Monday, December 15 (legislative day of Thursday, December 4), 1947

Mr. TAFT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I delivered on December 1 at the Two Hundredth Anniversary Dinner of the St. Andrew's Society of Philadelphia. It contains a discussion of the causes and possible solution of the inflation trouble, which I think is at least as scientific as the discussion which the distinguished Senator from Wyoming [Mr. O'MAHONEY] has made this afternoon.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I greatly appreciate the honor of the invitation extended to me to speak on this great anniversary of the St. Andrew's Society of Philadelphia, and the honor of sharing the platform with Lord Inverchapel, the British Ambassador. I have known him since he was secretary of the embassy, too many years ago to count; and I can testify to his ability and honest frankness, to his wide experience in India and China, and his accurate knowledge of the American people. This meeting tonight recalls vividly to our minds the close bonds which exist between the English speaking peoples throughout the world, and particularly those between the peoples of the United States and the people of Great Britain. During the 200 years of your Society's existence, there have been times at which even your Society had to recognize differences and conflicts, but those temporary differences have only served to emphasize the real community of interest which exists, and how much our peoples think alike in our fundamental ideas of government and with human society.

In this century we have fought side by side in two great wars, and we are still united in trying to promote the principles of national freedom on which alone the happiness of peoples can be founded. In both of these wars Great Britain has suffered more heavily than the United States because it has been so close to the field of conflict. Because of the sacrifice which it made in this war it is now temporarily involved in tremendous economic difficulties. There is no



avert an economic catastrophe? Is it not tragic that an administration which would offer the fruits of the American economic system to succor an ailing world has failed miserably to recognize the genius of that system and has made no attempt to bring that genius into full play to meet the domestic problem?

We can only charge the administration with a failure in leadership. We charge that the administration has failed to assume its responsibility in evolving a plan, just as broad in scope and just as fired with imagination as the Marshall plan, to meet the economic crisis by the same methods implicit in that program—voluntary action.

What should be the broad outlines of such a bold program?

I think that the essence of voluntary action on the part of the producers in our economy—capital, labor and agriculture—to curb the effects of inflation is this: that for their own benefit and in their own enlightened self-interest, the members of our economic team, by mutual consent, agree to give up certain privileges and benefits, for a limited period of time, to alleviate the pressures upon our economy and to prevent the economic collapse which historically follows uncontrolled inflation.

The virtue of such agreements is that they obviate coercion by statute and they enlist a spirit of cooperation not to be gained by compulsion. They would, further, substitute the possible for the theoretical, by leaving the restraints in the hands of the restrainees rather than in the hands of the restrainers, in this case, a Federal bureaucracy.

Will such agreements work? They will work just as surely as the American economic system works, provided that the agreements are kept scrupulously voluntary, both in conception and implementation. They will work if compulsion by any means is avoided, lest their basic spirit, the spirit of cooperation in enlightened self-interest, be irrevocably lost.

That is the fallacy of the President's theory of stand-by controls. It reduces the prospect of the success of voluntary methods to a minus quantity. There would be as much volition in agreements obtained under that program as there would be volition on the part of a bridegroom at a shot-gun wedding. Without that volition, as in the latter days of OPA, there would be noncooperation and dismal failure. In truth, the agreements outlined in the Harriman bill, for instance, might better be called "compulsory voluntary agreements," if such a description were not absurd on the face of it.

But, such agreements are possible under the Wolcott resolution. It removes every stigma of compulsion. It clears the way for voluntary agreements by industry, labor, and agriculture. It opens the way for dramatic, imaginative, and constructive action by the President.

We can only suggest what that action should be. It is perhaps naïve to think that such action will be taken, in view of the administration's dalliance in the past few months, but we would be derelict

if we did not carefully spell out one possible line of action that would compare in thoroughness to the suggested plan for European aid:

First. The President should summon to Washington representatives from every element in our economic structure—industry, small business, labor, agriculture, and finance—to meet in conference with the Council of Economic Advisers to the President and leading Cabinet members, representing the executive branch and the Joint Committee on the Economic Report and the Senate and House Committees on Banking and Currency, representing the legislative branch.

This would compare in imagination to the summoning of Europe's nations to the Paris Conference.

Second. This group should be asked to remain in conference until they had agreed upon the basic and contributing causes of the present inflation. They should be urged to compromise any serious disagreement over causes, and in the event of complete disagreement on any one cause, they should be urged to pass on to the others. The roll of the executive and legislative representatives in this phase of the conference should be advisory and conciliatory.

This would compare, in common sense, to the action of the European nations in determining causes for their difficulties before seeking remedies.

Third. The resulting agreement on inflationary causes should be publicized as no toothpaste or cigarette has ever been advertised in America before. The American people must know what is wrong before they can intelligently assist in a vast Nation-wide voluntary program.

This would compare to the publicity given to the basic causes of European distress.

Fourth. The conference should then break up into economic groups. Each group should determine, in consultation with the whole body it represents, what it can do, in its own self-interest, to mitigate or remove either a contributing or basic cause for our rampant inflation. Each group should not only determine what it would do without any action on the part of the other groups, but it should also determine what it would be willing to do if other represented groups make certain concessions.

This is the spirit of self-help implicit in the Marshall plan.

Fifth. The conference should be reconvened, and under the guidance of Government representatives, and with frequent consultation between the groups represented, should hammer out a voluntary program to curb inflation—to be followed faithfully for a definitely limited time by all of the groups involved. It should be stressed that no compulsory action on the part of the Government could enter into this plan.

The conference should call upon the representatives of the executive branch for action which it believes the President should take to help further their program.

It should call upon the representatives of the legislative branch for action to help further the voluntary program, and for action that it believes necessary to attack the basic causes of inflation.

The conference representatives should pledge the whole-hearted cooperation of their group, insofar as they are able to give it, to the prosecution of their plan.

This would be similar to the final report of the European nations and could be compared to the pledges of cooperation given to this Nation by the signatories of that report.

Sixth. The final program agreed upon should be publicized and promoted with all the vigor that the United States Government possesses, and through appropriations willingly granted by this Congress.

This would capture the imagination of the American people just as surely as the boldness of the Marshall plan has captured it.

Seventh. The conference should then break up into executive committees representing each group. Their job would be to see that their particular group participated wholeheartedly, and in their own self-interest, in an American program mutually and democratically agreed upon. The Congress and the President, each in their own wisdom, would then act upon the measures suggested by the conference.

This is the kind of program we need immediately. This is the kind of all-out national effort that cries for the assumption of leadership by our chief executives. It would be American, because it would be voluntary—in spirit, in method, and in action. It would be sound—because it would seek voluntary agreement upon causes, before it sought voluntary agreements on action. It is the only kind of program that will work.

By the passage of this resolution, we make such a program possible. By the passage of this resolution, let us signify our desire that the President will seize this opportunity, and lead us away from cringing words concerning the inevitability of national catastrophe.

## Stabilization of Commodity Prices

### EXTENSION OF REMARKS OF

HON. THOR C. TOLLEFSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. TOLLEFSON. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include therein an editorial from the Tacoma Times, October 14, 1947. I respectfully direct the attention of every Member to this extremely thought-provoking article at a time when we are considering the problems of inflation. It follows:

CAN SOCIALISM HAPPEN HERE?—CONGRESS MAY GIVE US THE ANSWER

Can it happen here?  
It is a question worth asking.



Socialism is on the march. Conservative parties in such nations as England, France, and Italy cannot raise an effective voice against government ownership of basic industries.

In those nations mammoth corporations have in the past controlled entire industries. The small producer had no place.

Meanwhile, output was stifled, prices increased.

The average man felt he had nothing to lose, perhaps much to gain, by government instead of private monopoly. The average man acted. Socialism found a new haven.

And what is happening here?

The Federal Trade Commission reports that in the first quarter of 1947 more corporations were merged than in any corresponding period since the depression year of 1931. There were 20 percent more mergers than in the last quarter of 1946.

Two hundred fifty corporations now control two-thirds of this Nation's manufacturing capacity. That is the equivalent of all United States manufacturing facilities in 1939.

In a monumental study published recently by the Twentieth Century Fund, Dr. J. Frederick Dewhurst and associate economists say that the United States, under capitalism, can virtually "abolish poverty" by the latter half of the century.

But Dr. Dewhurst warns that we must "exercise eternal vigilance to keep competition free of the ever-recurring trend toward monopoly and cartelization that ruined private enterprise in Europe and brought about the demand for socialism."

At the present time the United States has one policeman shouldering almost the entire burden of checking monopoly's growth.

It is the Antitrust Division of the United States Department of Justice.

Many small businessmen in Tacoma and Seattle know the Department well.

Perhaps a big eastern firm or a big western firm was undercutting prices—selling at a loss to smash competition. Or perhaps a large competitor had agreed with a producer to cut out the little man.

An antitrust representative met with executives of the large and small firms. An agreement was reached, sometimes under the threat of prosecution.

Seattle personnel of the Antitrust Division was almost moved to Los Angeles this year. Only vigorous protests by the Grange and other groups prevented it.

Congress, in granting the entire Division its customary appropriation of about \$2,000,000, had insisted on stringent economies.

It seems to us that this was another example of the "false economy" so enthusiastically practiced at the last session of Congress.

Here are some facts:

From 1940 through 1946 the Antitrust Division received appropriations totaling \$12,030,600.

Fines assessed through court action brought a return of \$5,902,979.03 to the Government, almost half the Division's cost of operation.

As the result of a single antitrust suit royalties were reduced by 50 percent in one industry, bringing yearly savings to consumers of over \$4,000,000.

Meanwhile, the Antitrust Division receives more than 650 written complaints per year. It can act on a mere 50 of them. Adequate funds are lacking.

It is proper and necessary that this Nation spend billions of dollars a year to conserve its national resources.

Is it not equally necessary that it spend more than a niggardly \$2,000,000 to preserve its democracy?

It is a question worth asking.

We shall see how Congress, including Representatives of this State, reply.

## The Chicken Situation

### EXTENSION OF REMARKS

OF

**HON. REID F. MURRAY**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MURRAY of Wisconsin. Mr. Speaker, the United States Department of Agriculture on November 10 set up a chicken-purchase program that provided a 15-cent per pound floor for 3½- to 4½-pound chickens and 20 cents per pound for 4½ and above weight chickens. It also provided 22.50 to 28 cents per pound support for New York style, but evidently the New York style are not producer prices.

There are two questions involved right here: First, Where does the USDA get the authority or power to put a 15-cent per pound support price on chickens when the law states "not less than 90 percent of parity"? Ninety percent of parity is 24.8 cents per pound for chickens as of November 15, 1947. Second, Where does the USDA get the authority to set up a purchase program on November 10 that gave the processor 7½ cent per pound for processing 3½-pound fowl and 8 cents per pound for processing 4½ pound chickens? Then again under what law did the USDA advise the processor on December 1, 1947, that he could increase his processing charge from 7½ to 11 cents per pound on light fowl or by 65 percent? Or, where did the USDA get the authority to raise the processors charge from 8 cents per pound to 11 cents per pound or by 37½ percent?

The War Powers Act is supposed to have expired. If the USDA can do this to the chicken industry, why are they asking for more power and more authority?

The producers of 7- to 10-cent roosters in the Midwest and the 10- and 11-cent-per-pound chickens in the Midwest are being denied the protection of the Steagall amendment.

In the Tuesday, November 25, 1947, CONGRESSIONAL RECORD, on page A4691 can be found my letter to Secretary Anderson. His answer and my reply are as follows:

WASHINGTON, D. C., December 8, 1947.

HON. REID F. MURRAY,

House of Representatives.

DEAR MR. MURRAY: This is in reply to your letter of November 24 regarding poultry prices and the Department's fowl purchase program.

We can understand your concern in the matter and appreciate this opportunity to explain the basis for establishing the announced producer prices. However, we should first like to point out that effective December 1 purchase price levels were adjusted to permit a more effective operation of the program. A copy of the press release announcing these price adjustments is enclosed.

Under the recent fowl purchase program announced by the Department of Agriculture, prices for fowl were established at levels which would reflect not less than 90 percent of parity to producers.

Accordingly, the prices announced were based upon the September 15 index of prices

paid by farmers including interest and taxes. This was the latest available index prior to consideration by the Commodity Credit Corporation Board of Directors. The parity price upon which the purchase prices were based is a national average farm price without seasonal adjustment. The purchase price covers fowl weighing more than 3½ pounds live weight, and of A and B grade. These prices are to be determined on an area basis and will reflect appropriate location and quality differentials. However, at the outset of the program, purchase prices were announced for the Midwest area only.

As the index prices paid by farmers including interest and taxes was 237 on September 15, 90 percent of parity for all chickens was 24.3 cents per pound. If purchases are made, they will probably be made in the Midwest area. It is this area which produced over 65 percent of the total tonnage of chicken meat raised on farms and is the area which produces in excess of local needs. In 1937-41 the average spread between United States average farm prices and those of Midwestern areas were 2 to 2½ cents per pound. Spreads in the market currently are 3½-4½ cents a pound. Accordingly, in developing our fowl purchase program, the initially announced producer prices in the Midwest are 3½ cents per pound less than the United States average price at 90 percent of parity, rounded off to the nearest one-half cent.

The Bureau of Agricultural Economics estimates that during 1947 about 45 percent by weight of the chickens marketed would be young stock and about 55 percent fowl. Since fowl prices are generally discounted from young stock prices, it appears only reasonable to establish average purchase prices for fowl below those of young stock. However, the two prices when weighted and averaged should reflect the average Midwest support levels.

Present price patterns and buying practices in the Midwest indicate that the weighted average price for fowl is about 3 cents below the national average price for all chickens at 90 percent of parity or 18 cents per pound for all fowl. Since lighter weights of fowl are being substantially discounted below heavier birds, it was recommended that purchase prices reflect a breakdown between light and heavy. Estimates of the proportion of heavy and light fowl marketings for the United States as a whole and 60 percent and 40 percent by weight. Applying these weights to the above average price for fowl and allowing for a spread of 5 cents on light and heavy on the basis of actual current marketing practices results in farm prices for heavy fowl being 20 cents per pound, and light fowl at 15 cents per pound.

Accordingly, on the basis of an index of prices paid of 237, farm prices on live basis established were as follows: Heavy fowl, 4½ pounds and over, live weight, 20 cents a pound; light fowl, 3½ to 4½ pounds, live weight, 15 cents a pound.

It is believed that these prices, when averaged with prices received by farmers in other areas, which may be expected during 1947 to be as much as 6 cents above Midwest levels, together with prices received for other types of chickens such as fryers and roasters, will result in returns to producers of at least 90 percent of parity.

Sincerely yours,

N. E. DODD,  
Acting Secretary.

WASHINGTON, D. C., December 12, 1947.

Mr. N. E. DODD,

Acting Secretary, United States Department of Agriculture, Washington, D. C.

DEAR MR. DODD: Thank you for your letter of December 8 in reply to my letter to Secre-



some overenthusiastic undertakers running up unwarranted bills in the reburial of our war dead. The condition described by Mr. Krum should be immediately investigated by the appropriate committee of the House.

As part of my remarks, I wish to include the following article by Mr. Krum:

#### VETERANS' AFFAIRS

(By Tyrrell Krum, lieutenant commander, U. S. Naval Reserve, retired)

Here's a low-down racket we certainly hope doesn't get a foothold in these parts.

It has to do with one very important phase of the Government's return of our overseas war dead to this country.

Let's start at the beginning and you'll see what I mean.

When the Congress passed the repatriation-of-the-war-dead program a couple of years ago, appropriations were made for having the Government defray all the costs of bringing the remains back to the locality the next of kin desired in addition to furnishing a \$500 steel casket and all costs of a military funeral.

In order that the family which had lost so much might not be called upon to bear an added burden, the Government authorized the advancement of \$75 to the next of kin toward defraying of the cost of conducting the final rites and burial in private cemeteries.

This figure was based on evidence submitted by the War Department after a national survey indicated that \$75 was deemed sufficient to conduct the final stages of the repatriation program—conveying the remains from the train to a chapel and thence to the final resting place.

And look what happened in a number of cases that have arisen in recent days as certain overenthusiastic undertakers indulged in slick salesmanship to run up wholly unwarranted bills in connection with the repatriation program.

The mother of a young marine who lost his life in the Marshall Islands in 1944 received the remains of her son in New York. Before the reburial had been completed, a bill totaling \$300 had been run up.

There was \$75 for use of the funeral parlor for 3 days; \$35 for use of draperies, palms, and candelabra; \$25 for a canopy and artificial grass mats at the grave; \$22 for use of the hearse; \$20 for pallbearers; and \$45 for three limousines.

Also included was \$50 for opening and closing the grave, and there were additional incidental expenses to make up the total.

In another case in an eastern city the following charges were accumulated: \$25 for undertaker's professional expenses; \$45 for use of the chapel three nights; \$28 for use of hearse from church to national cemetery; \$23 for open car for flowers; \$23 for one limousine; and \$5.60 for death notices in local newspaper. To offset this, the Government advanced the usual \$75 fee plus a free lot in a national cemetery.

There are many similar instances of gouging along the same line.

We put the proposition up to the head of a local undertaking firm which has the reputation of being the largest of its kind in the country. It handles upward of 30 percent of all funerals in the Nation's Capital. Here is what he told us:

"We have laid down a policy that no funeral of an overseas hero shall exceed the regulation \$75 in any instance, so far as our services are concerned. If we remove the remains direct from the train to the grave, we have a stipulated price of \$50. If the family desires the use of our chapel, that will be an additional \$25. But we never charge more than \$75 in any case.

"We deem it a fair price and we intend to stick to it, and we can't see how any undertaker can take it upon himself to try and

work a clip on the next of kin in their hour of sorrow."

"We don't think it is very widely done. But, as the popular saying goes, 'There's bound to be some rotten apples in every barrel.'"

We certainly hope, as we said above, that the racket of playing upon the emotional heartstrings of bereaved families doesn't get a foothold hereabouts.

Because, if it does, it can only work harm to one of the finest and noblest operations in which Uncle Sam is engaged in the whole postwar period.

### Truman Plays Politics With Inflation

#### EXTENSION OF REMARKS

OF

### HON. HUGH D. SCOTT, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. HUGH D. SCOTT, JR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Inquirer of December 15, 1947:

#### TRUMAN PLAYS POLITICS WITH INFLATION

President Truman's implied threat to veto the Republican anti-inflation program—if it is adopted by Congress—is a shocking piece of political high-handedness.

This outrageously dictatorial attitude on an issue that concerns the bread and butter of all the people is a throw-back to Mr. Truman's political expediency of last summer when he twice vetoed tax-reduction bills which had been passed by Senate and House with the support of Democrats as well as Republicans.

The Republican counterproposals to the President's 10-point plan to curb ruinous prices haven't yet been debated in Congress. They are just now being revealed in detail. Based on voluntary agreements rather than compulsion, they include tax reduction and Government economy, important matters that aren't mentioned in the President's program.

But, with a grim recklessness suggestive of a return to the one-sided Roosevelt New Deal, Mr. Truman sneers in advance at the Republican measures and, judging from his slighting remarks at his press conference, has turned his back on all anti-inflation plans not originating in the administration.

In thus closing his mind against all proposals but his own the President is putting politics ahead of inflation controls. If Congress, torn by partisan rivalries, now fails to solve the immensely difficult problem of curbing prices without imposing hamstringing restrictions upon the Nation, the chief blame will lie with Mr. Truman.

And at what cost? When he twice swung his political veto ax at the tax-cut bills a few months ago he compelled taxpayers to go on, needlessly, shouldering war-high income taxes. If he should succeed in twisting inflation curbs to his own political purposes the possible cost staggers the imagination.

When the President brought out his proposed anti-inflation checks last month this newspaper praised him for trying, however belatedly, to combat the inflation menace. But when he lightly pooch-poochs the Republican program for voluntary curbs before he knows what it is all about, he reveals a partisan prejudice that is a grave threat to the Nation.

Why does Mr. Truman think his own plan is sure fire, to the exclusion of all others? Is there anything in the history of the Truman

administration which could prove its economic infallibility? Most assuredly not.

Immediately after Japan surrendered in August 1945 and before this bewildered country realized what was happening, President Truman, with one magnificent gesture, swept away the wartime curb on wages and gave price inflation its first big push.

The fireworks came fast. Demands for higher pay poured from all sides. Industrial disputes developed overnight. In the next few months the steel, automobile, and coal industries were stalled by great strikes which cut down the production of goods critically needed to avert shortages and consequent price boosts. Then Mr. Truman's recommendation of an 18½-cents-an-hour wage boost to end the steel strike, and the Government's permission for a \$5 a ton increase in steel prices, hurried inflation on its disastrous way.

The price-wage spiral is now in full swing, a third round of wage demands is threatened and the country is in the throes of a price inflation which already is grinding down vast numbers of our people, including those who must live on small fixed salaries, pensions, and annuities. If price inflation is not checked promptly the whole country—and its ability to feed hungry millions overseas—will suffer.

By making inflation curbs a partisan issue President Truman is inviting, with appalling disregard for the national welfare, failure of Congress to agree on real anti-inflation controls. His defiant imprudence will be remembered, we believe, by the voters in November 1948.

Meanwhile it remains the imperative duty of the Republican majority in Congress to pass the soundest, most practicable measures it can devise to halt skyrocketing prices. The President's political veto is his own responsibility.

### Commissioner Parkhurst's Address to Graduates of United States Maritime Academy

#### EXTENSION OF REMARKS

OF

### HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Commissioner Richard Parkhurst of the United States Maritime Commission before the graduating class, United States Merchant Marine Academy, Kings Point, Long Island, N. Y., on December 10, 1947:

Admiral Knight, Admiral McNulty, officers of the Academy, distinguished guests, parents and friends, and members of the graduating class, I am grateful for the invitation to be here on this pleasant occasion. Likewise, I deem it an honor to come to Kings Point as a member of the United States Maritime Commission and to say to you at the outset how much the Commission believes in this school, what it stands for, what it teaches; how earnestly we endorse its continuance and how vital we believe it to be in present and future considerations regarding the well being of the United States merchant marine. We take deep pride in the accomplishments of its graduates, and we remember with deep affection and a sense of personal loss those of its student body who, following the path of duty in the war years,



gave their all, even to life itself. Their endeavors and the spirit which actuated them, are now part of that intangible we call tradition and, in contributing so nobly to it, these men have enriched it for this Academy forever.

A good many years ago, gentlemen of the graduating class, I sat as you do now, a member of the graduating class of my college. My classmates and I looked up at the platform on which sat the president of the college, the trustees, our professors and instructors, and the graduation speakers. They were there to give recognition to our 4 years of effort, to wish us well, to bestow upon us the final accolade as undergraduates. I remember being a little overwhelmed by it all, feeling a sense of unreality—and hoping that the speeches would be short. The outside world in which we were to take our places was the comparatively uneventful one just before the first World War. The future seemed to us to hold much that was bright. There was not the challenge in the air that you men face today, nor were we equipped, as you are through your training here, to embark upon a chosen profession so directly and immediately concerned with the welfare of our country.

Civilization has many facets; it is never static and as it pursues its course down the years, it imposes, upon successive generations, new refinements of duty based upon timeless virtues. In this evolution, "citizens are made by doing the things for which, at a given time, citizenship stands."

You who have chosen the merchant marine as your profession have placed yourselves in a position to be of great service to your country and the way of life it represents. You will be the first to agree with me when I say to you that the mark of the real officer is not his diploma alone, well deserved and meritorious though it is. From that milepost at which you begin your career as an officer, the extent to which you succeed in that career will depend upon your individual initiative and your determination to develop yourself through profitable experience and further study. There will always be the opportunity to pursue and overcome the difficult—seize it. In a practical profession always remember, too, that the stars shine down upon us all. Reach for one, and thus add to the technical and business elements of your profession so urgently required by the exigencies of our times, a search for things of the spirit to help guide you on your way.

Perhaps you have heard the story of a conversation said to have taken place between a famous major league second baseman and a rookie shortstop just assigned to the team. The former had accepted a hard-fighting chance and had made a brilliant play for the final out. As the players walked to the bench, the new shortstop said to the veteran: "I sure am glad that I did not have to make that tough play you just made." The veteran replied: "Don't let me hear you say that again. You'll never be a major leaguer, my boy, until you are not only ready to accept the hard chances, but until you also hope they will come your way."

As to the merchant marine of which you are about to become a part, the question of United States flag shipping service is no longer one of commercial enterprise alone. It is definitely a question of national policy of the highest consequence. We are no longer an isolated country. We are the leading international power, and plans and procedures as to our merchant marine must envisage the responsibilities which that new status implies. In the marine, no less than in other fields, there is a heavy task of readjustment and reconversion, historically the aftermath of such an upheaval from whose effects we are now struggling to right ourselves.

Over a century ago the first oceangoing steamer, the *Savannah*, set forth on that his-

tory-making voyage from Savannah to Liverpool. This was a daring enterprise, under the flag of the United States, and it has a parallel today in the challenge facing us to keep at sea a merchant fleet under that flag, to carry a goodly number of passengers, to handle a substantial part of our own commerce, and to be a bulwark in our national defense. If the element of drama is more evident in the *Savannah* voyage of long ago than in this current undertaking, the opportunity for a great achievement is nonetheless present and compelling—the rehabilitation of the American merchant marine to serve the needs of our country, whatever those needs may be.

It falls to the lot of the Maritime Commission to take the lead in this matter. The Commission is not a restrictive body. It was created to serve shipping, not to dominate it, and it is our full and continuing intention to emphasize not only the desirability but the necessity of closer coordination of effort between the Commission and all segments of the shipping industry. To all of you here I emphasize that this project of building up our merchant marine is a joint venture. It will rise or fall as such. Men in the ships and on the docks, men in steamship management and operation, men in the Government—I fully believe that a team of this composition, a team so made up and so great as to astonish the world in the war years, will continue to play ball together in these times of less evident but nonetheless trying stress and strain. Speaking for the Commission and our participation in this venture, I want you to know that in the deliberations we undertake, in the decisions we reach and in the rulings we make, we try always to keep in mind the fact so well pointed up in the words of Victor Hugo: "We make the road, others will make the journey."

Two wars found this country without adequate reserve ships and merchant officers and seamen to meet our needs. Briefly, as to each of these, national reserve fleets of merchant vessels have now been established on the three ocean coasts of our country. The Commission is in close cooperation with the armed forces in establishing the number and types of vessels which are to compose these fleets. The ships are being preserved by sound and economical methods, determined by careful experimentation. They are not rusting away, and they will not do so. On the manning side, meeting the wartime requirements for men was as big a task as that of building ships. Maritime personnel increased from about 50,000 officers and men available at the start of the war to more than 400,000 trained officers and men. With the return of peace we have, of course, scaled down our training program to meet changing needs. The training will be more thorough; it will emphasize the part the merchant marine must play in world passenger and cargo trade, not forgetting the aspects of national defense. To serve adequately our domestic and overseas trade, our best estimates are that we should maintain in regular service by 1950 about a thousand vessels. This fleet will require, we anticipate, between ninety and a hundred thousand men for operations afloat and ashore.

The war left the cargo-carrying side of our merchant marine in much better shape than it was in the preceding years of peace. The best of our war-built cargo ships have been sold to our American-flag companies. They are the fastest, safest, most efficient ships this country has ever operated. Yet, despite this fact, our cargo fleet is out of balance. For example, in wartime we built no ships specifically designed for our coastwise and intercoastal trades and few had been built in the years before the war. Also, we are short some special types for special trades and to accommodate the problems of certain trade routes. At present, new construction is very limited. The Commis-

sion has, however, a carefully developed program by which the existing gaps in our fleets can be filled. In order properly to service the products of American farms, mercantile establishments, and manufacturing plants, we must not only fill these gaps but we must endeavor so to plan that the standard of the merchant marine as to size, speed, and type will be constantly maintained in terms of established decisions concerning these factors.

Among the matters with which we are most concerned is the provisions for a safe, fast, and efficient passenger fleet for the traveling public, for the American businessman, and for our national defense. One look at the present United States passenger fleet is enough to invoke the most serious thought. Our studies indicate in no uncertain terms the shortage of passenger and passenger-cargo combination ships for the principal trade routes which have been declared essential to the economic requirements and to the defense of our country. Reverting to the experiences of the war, you will readily recall that our prewar passenger ships proved a vital link in the chain that led to final victory. Even though some of these ships were old and slow, we were nevertheless better prepared upon our entrance into this conflict than we were in 1917 and 1918 when nearly all our men and supplies were carried in foreign-flag vessels. A large number of our troops and equipment were likewise carried by foreign-flag ships in this war. In both instances our allies gave us a measure of time in which to shape our destiny. Will there be time if another war comes, and is that a chance we dare take? To the Maritime Commission, for one, the answer is "No."

The Merchant Marine Act of 1936 directs that insofar as practicable the fleets should be privately owned and operated by American citizens. We of the Commission subscribe to that objective. We want to get out of ship operation and in support of our feeling in this respect the following statement seems sufficient. At the war's end the Commission, through the War Shipping Administration, was operating over 4,500 vessels. Today, a short 29 months after VJ-day, we are operating about 200 of the active American-flag fleet of 2,400 vessels. To the extent that we do remain in the shipping business, it is only because of necessity and to meet relief and rehabilitation needs and special situations here and there around the world.

As of the world at large, so it can be said of the development of the merchant marine, there would be no greater folly than for us to proceed on any assumption other than that the days ahead are decisive days. The whole problem of the merchant marine is now under the most searching scrutiny in many responsible circles, both in and out of Government. I sincerely hope that the outcome of these studies will result in a sound program of long-range development on a scale which will insure not only first-class American-flag service in the domestic and foreign trades, but also a modern and dependable maritime organization shipside and shoreside, which will be able at a moment's notice to place itself again, if needed, in the front line of defense of our country. This is a hope in which I know you all join as we reflect upon the larger aspects of our maritime outlook. To protect our competitive picture in peace, to have our own ready ships if war comes again, that is, in brief, why we need an American merchant marine.

Gentlemen of the graduating class, in behalf of the Commission and personally, I congratulate you and wish you well as you enter upon the age-old calling of the sea. The case for this Academy rests not upon what it has nor upon what it may lack, but upon its product—men, trained men, yourselves. I am certain that as you pass through Vickers Gate with the imprint of this school



Greece	\$316,000,000
Hungary	3,000,000
Italy	262,000,000
Philippines	12,000,000
Poland	392,000,000
U. S. S. R.	383,500,000
Yugoslavia	342,000,000

Total 2,279,102,284

## F. WAR DEPARTMENT CIVILIAN SUPPLIES

Austria	65,665,000
France	9,314,000
Germany	431,27,000
Greece	76,500,000
Italy	380,868,000
Japan	294,971,000
Korea	41,641,000
Netherlands	7,730,000
Philippines	57,230,000

Total 1,365,046,000

## G. AID TO PHILIPPINES

Philippines	695,000,000
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Total 695,000,000

## H. OCCUPATION LIRA CREDIT

Italy	258,000,000
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Total 258,000,000

## I. INTERNATIONAL BANK LOANS

Denmark	40,000,000
France	250,000,000
Netherlands	195,000,000

Total 485,000,000

## J. FIXED WAR INSTALLATIONS

Australia	37,394,000
Iceland	65,000,000
Netherlands	44,384,624
New Zealand	207,069

Total 146,985,693

## K. FOREIGN ECONOMIC ADMINISTRATION RELIEF

Italy	140,000,000
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Total 140,000,000

## L. ALCAN HIGHWAY

Canada	138,312,166
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Total 138,312,166

## M. RFC LOANS

Canada	5,000,000
Philippines	25,000,000

Total 30,000,000

## N. AIR BASES

Liberia	20,000,000
Peru	2,000,000

Total 22,000,000

## O. CULTURAL AND TECHNICAL PROJECTS

Brazil	680,000
Chile	195,000
Colombia	342,000
Costa Rica	240,000
Cuba	190,000
Dominican Republic	75,000
El Salvador	160,000
Guatemala	425,000
Haiti	86,000
Honduras	63,000
Mexico	574,000
Nicaragua	180,000
Panama	34,000
Paraguay	38,000
Peru	470,000
Uruguay	67,000
Venezuela	144,000

Total 3,963,000

## P. INTER-AMERICAN HIGHWAY

Costa Rica	1,300,000
El Salvador	167,500
Guatemala	232,700
Honduras	354,500

Nicaragua	\$1,250,000
Panama	13,000

Total 3,317,700

## Q. U. S. COMMERCIAL COMPANY

Bolivia	2,080,474
Ecuador	5,190

Total 2,085,664

## R. OFFICE OF DEFENSE SUPPLIES

Bolivia	300,000
Ecuador	160,944

Total 460,944

## S. STATE DEPARTMENT CREDIT

Mexico	217,901
Uruguay	30,163

Total 248,064

## T. EDUCATIONAL AID

Iraq	41,000
Lebanon	90,000
Turkey	65,000

Total 196,000

Grand total 66,017,790,335

Source: New York Daily News, Oct. 5, 1947.

Mr. Speaker, after reading the above report, which has outlined our mammoth program of sending American dollars abroad, I came across the following editorial from the pen of Mr. Robert Boyer, editor, Altoona Tribune, Altoona, Pa., which appeared in the December 9 issue of the Tribune. The editorial is filled with facts that should have the earnest consideration of every thinking American.

## DO WE OWE EUROPE A LIVING?

Reports from abroad by the most qualified and impartial observers, most of whom are American newspapermen, inform us that the average European believes that American wealth is endless.

Raymond Daniell, New York Times reporter, writing from London had this to say, "An Italian better informed and more pro-American than the average, told me recently in Venice that even if the funds appropriated for European rehabilitation under the Marshall program were on a scale proposed by the Paris conference (which made most thinking Americans shudder) the cost of the individual American would only amount to about one good-sized beef steak per year. He remained skeptical and unconvinced when I assured him that the cost to the American taxpayers would be close to \$400 each, which would buy quite a number of beef stakes even in Italy's most expensive black market restaurants."

Mr. Daniell quoted a truculent German burgomeister of the Ruhr, who demanded of the American reporter, "If you haven't got the wheat for us yourselves, why don't you buy it for us from the Argentine? Your country has plenty of money, hasn't it."

Says Mr. Daniell, "Wherever you travel in Europe, you find the feeling that no matter how much America does, we could and should do more. A British friend remarked the other day that he thought it shameful that a nation as rich as the United States does not share some of the good things of life."

Yet, with this prevailing feeling, it is remarkable and shocking to find that Europeans hold a feeling of cultural superiority over Americans.

"Even Europeans untouched by Communist propaganda are fond of expatiating on the superiority of their culture and civilization of America's" writes Mr. Daniell. He goes on to say that the European judges culture by Beethoven and Bach, fine wines, and alluring art.

It is apparent that the European's conception of civilization needs a modern renovation.

He does not think that his "superior civilization" has produced the most barbarous warfare of modern times; that his fine European culture has almost completely destroyed a major part of the European Continent twice in this century; that his type of civilization has produced, with its fine art and music, the most degrading experiences for the European people since the Middle Ages; that this "superior civilization" of Europe has lost sight of the humanities, the true wisdom of the ages, and has completely failed to produce a constructive civilization, either in cultural thought, which is in fact spiritual thought, or in material production.

Instead, it turns constantly to the "uncivilized and stupid" democracy of America, where it demands constantly a renewal of its sustenance, so that it may continue its culture, while we feed its women and children, while European men plan more world conquest while meditating over their fine wines and their inspiring music.

All of these things indicate that the leaders of this country are ignoring too many facts with regard to our relief program for Europe.

They are letting their sympathies blind them to the fact that Europe has come to depend upon this country to produce for it—to make this country in fact, if not in name, a slave producing nation for European indolence and rotten government, from Moscow to Paris and London.

Too little attention is being given by our State Department to this acquired attitude of the people of Europe; this feeling, gradually taking root since World War I, that the United States of America owes them a living.

Too little concern is shown for the vitally important job of telling the people of Europe the truth, in such strong and repetitious fashion that they will not remain unconvinced, as the Italian was to whom Mr. Daniell spoke.

We are tardy with our educational program. We have been content for years to swallow the propaganda of Europe, and to make little or no effort to educate Europeans to the real America, the real conditions, and the all-important fact that America is rich, and Europe is poor because we in America give more time to work and production than to concocting grandiose schemes for world conquest, for wars, and for power-mad governments.

Europe still has that lesson to learn, and we are doing nothing to help those people learn it.

Instead, we are feeding their illusions concerning us.

Mr. Speaker, after digesting the contents of both of these articles, I find myself in the same position as that of millions of American citizens, who are asking, "How long can we keep financing the world?"

## Helping Inflation

## EXTENSION OF REMARKS

OF

## HON. HUBERT S. ELLIS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. ELLIS. Mr. Speaker, today I submit for the consideration of the House a splendid editorial from the Parkersburg News of December 11, 1947, edited by Mr.



Francis Pierce Fisher, which clearly indicates that the President is not getting by in his effort to blame everyone except himself for the high cost of living. The administration is solely responsible for the existing inflation and high prices, and everybody knows it.

#### HELPING INFLATION

One of the worst phases of the price problem is the attempt to over-simplify it by blaming the whole inflation on particular groups, such as industry.

This misleading device has been used, unfortunately, by a number of Government officials whose positions give them ready access to the newspapers and radio. The truth is that Government itself has been one of the most important, and perhaps the most important, influence which has pushed prices inexorably upward. As long ago as last February, writing in the New York Times, Henry Hazlitt pointed out that abnormal demand was bringing higher prices and that demand was "far greater than it was before the war because money incomes are far greater; and money incomes are greater principally because the supply of money and bank credit has been almost tripled since the outbreak of the war." There has been little change in the situation since then.

Few businesses want high prices, and most businesses are doing what they can to resist them. As an example, William Eden, vice-president of American Stores Co., a large chain system, recently testified that his company's volume of business is up 31 percent—yet its net income is down some \$500,000. That is not an exception in the retail field, where all kinds of stores have voluntarily shaved profits when possible to hold their customers.

The Government cannot attack the price problem with clean hands until it puts its own house in order. Our Government fiscal policy alone makes more inflation inevitable.

### Texas Commissioner of Agriculture Says Secretary of Agriculture Is No Friend of the American Farmer

#### EXTENSION OF REMARKS OF

**HON. GEORGE B. SCHWABE**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. SCHWABE of Oklahoma. Mr. Speaker, I am just in receipt of a letter from Mr. J. E. McDonald, commissioner of agriculture of the State of Texas, enclosing a copy of a telegram he recently sent to the Speaker of the House of Representatives, JOSEPH W. MARTIN, Jr., and Senator TAFT, in which the Texas commissioner of agriculture says that the Secretary of Agriculture is no friend of the American farmer and agriculture.

I assume that Commissioner McDonald is in a position to know, and perhaps actually does know, as much about agriculture and the needs and interests of the farmers of this country, and particularly of the great Southwest, as any other man in the country. He certainly has manifested a sincere interest in the farmers and the agricultural industry of this country. He is to be complimented for his forthright and courageous appeal in this and other instances to prevent the destruction of our free institutions and in his effort to prevent the Federal Gov-

ernment from putting the American farmer in a strait-jacket. I agree with Commissioner McDonald heartily when he says that if we give the Secretary of Agriculture, or any other Government bureau, control over commodity exchanges, it will naturally result in their attempt to control and fix prices, and be the entering wedge of bureaucratic price control. Surely we are justified in judging the future by the past.

I am pleased to quote the telegram sent by Commissioner McDonald to Speaker MARTIN and Senator TAFT, as follows:

AUSTIN, TEX., December 8, 1947.

HON. JOSEPH W. MARTIN, Jr.,

Speaker of the House,

Washington, D. C.

Senator ROBERT TAFT,

Senate Office Building,

Washington, D. C.

In the interest of our national welfare and free Government I urge you not to give Secretary Anderson or any other Government bureau control over commodity exchanges. This will naturally result in their attempt to control and fix prices and be the entering wedge of bureaucratic price control. We now have the best marketing system and the cheapest and most plentiful supply of food and commodities in the world whereas foreign countries who have price controls are asking us to help feed and clothe them. Secretary Anderson and the Department of Agriculture have proved they are no friend of the American farmer and agriculture who are producing the food, fiber, and clothes for our country. Although agriculture represents 25 percent of our population yet they receive less than 12 percent of the cost of manufactured goods to the consumer. Therefore it is evident that 88 percent of the cost of living is due to labor, manufacturing, transportation, and distribution charges coupled with high taxes. Also we should bear in mind that our country has never been prosperous and cannot be prosperous without a high wage and price level and equitable prices for the farmer. With the existing Government debt and high taxes, low wages and commodity prices would result in deflation, millions of unemployed, and disaster for our country far worse than what happened in the 1929-32 disaster and debacle.

J. E. McDONALD,

Texas Commissioner of Agriculture.

### Why Should Employers Deal With Agents of Foreign Plot?

#### EXTENSION OF REMARKS OF

**HON. ABRAHAM J. MULTER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. MULTER. Mr. Speaker, under unanimous consent to extend my remarks in the Appendix of the CONGRESSIONAL RECORD, I include an article entitled "Why Should Employers Deal With Agents of Foreign Plot?" that appeared in the Brooklyn (N. Y.) Eagle on Friday, November 28, 1947:

#### WHY SHOULD EMPLOYERS DEAL WITH AGENTS OF FOREIGN PLOT?

Within recent weeks 10 men have been cited for contempt of Congress. The House of Representatives, by a sizable majority, sustained the contempt proceedings of one of its committees. On Tuesday, the employers of these men, the movie magnates of Holly-

wood, decided to suspend the 10 without pay or fire them outright.

Serious questions hang up on this sequence of events. The issue lay in the refusal of the defendants to answer one question: "Are you a member of the Communist Party?" In evident, prearranged unity each one refused to answer. Has a congressional committee proper jurisdiction to ask such a question? Eventually the final and decisive reply will have to come from the Supreme Court. Nothing forbids the public discussion of it.

The so-called liberals claims that such a question infringes upon a man's right to think and speak as he wishes according to the nature of civic rights in America. This, to them, is a violation of a citizen's right to hold whatever political belief he wishes.

There is a vast difference, in our opinion, between a man's personal political beliefs and membership in the Communist Party. The one is merely the possession of radical or nonradical thought; the other is actual membership in an international conspiracy, the purpose of which is to defend a foreign nation's interests and by any and all means to substitute the totalitarian state not merely in place of capitalism but by destroying our present form of democratic government.

It is true that such a conspiratorial organization has not been declared illegal as yet by a definite statute. We believe that it is implicitly contained in the tradition and the decisions of our courts.

Whether these 10 men are actually Communists or not will have to be decided by the proper public authority. Whether or not a congressional committee has the right to question their status will likewise be settled by the courts. But there is an even broader question involved, namely: "Has a member of the Communist Party a right to a job in the United States of America?"

Every discussion we have ever heard on the subject of communism has ducked the answer to this one. We will put our neck out and deny the Communist such a right. We do not believe that an employer has any more obligation to hire a Communist than he would have to hire an habitual drunkard or a man who, though unconvicted, was known to be a robber.

Membership in the Communist Party is a declaration of intent to place the Soviet Union above the United States of America, to engage in sabotage of American industry whenever or wherever the Commie leaders give the word, to break down subtly or openly the traditional form of society in which we live, to undermine American institutions at all times, to use trade unionism as a vehicle for bringing other workers to the same state of mind and to engage in the same kind of tactics as the Communists.

We do not believe that a member of such an organization has any right to be supported by American industry so that he might the more easily destroy it. Employers are forbidden to sign a contract for a closed shop. Why should they be obliged to deal with the agents of an international conspiracy?

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DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued December 17, 1947  
For actions of December 16, 1947  
80th-1st, No. 165

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HIGHLIGHTS: House debated appropriation bill which includes items for foreign aid, various anti-inflation programs under USDA, and reclamation. Senate committee reported Taft inflation-control measure. Sen. Barkley introduced bills to authorize USDA to regulate margins on commodity exchanges, authorize food conservation program, authorize CCC to promote foreign food production, and authorize price control. Bills introduced in House: By Rep. Kersten, to control exports; by Rep. Spence, to authorize price control; by Rep. Dirksen, to establish fertilizer program; by Rep. Andresen, to investigate commodity-exchange transactions; and by Rep. Johnson (Ill.), requesting USDA to release livestock estimates. Rep. Murray, Wis., claimed USDA is not carrying out price-support requirements for poultry. Both Houses received proposed bill from USDA to provide for 2 additional Assistant Secretaries of Agriculture.

HOUSE

1. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948. Began and completed general debate on this bill, H. R. 4748, and began to read the bill for amendment (pp. 11589-608).

The bill includes the following provisions of interest to this Department: Appropriates \$509,000,000 (authorization is \$597,000,000) for the interim foreign-aid program, but limits it to Austria, France and Italy (pending development of a State Department plan for China). Prohibits use of these funds for acquisition of nitrates, nitrogenous fertilizers, petroleum products, wheat, wheat flour, or cereal grain in the U.S. or its exportation unless the President first (1) surveys recipient countries' requirements, (2) estimates probable quantities to be made available, and (3) estimates the amount available for export to such countries, after considering domestic requirements. Requires that, in determining the amount available for export, the President shall allow for a wheat carryover of at least 150,000,000 bushels as of July 1, 1948. Limits to \$50,000,000 the losses to be incurred under the provision (in the interim aid bill) for disposal of surplus commodities at wheat-equivalent prices. Authorizes the Secretary of Agriculture, with Budget Bureau approval, to use not over \$2,750,000, until April 1, 1948, to carry out possible legislation on commodity-exchange speculation or allocation and inventory control of scarce Agricultural commodities, or to carry out Presidential programs under existing laws to encourage conservation practices in the U.S. and livestock-poultry marketing at light weights. Appropriates \$230,000,000 to the Army for Government relief in occupied areas. Appropriates additional funds for various reclama-



tion projects.

The committee report quoted two sets of USDA figures on wheat requirements and stated, "Close interrogation of the persons responsible for planning the program leads to misgivings as to whether the plans are well thought out and are practicable in their approach to the problems to be met." It stated that currency stabilization in the recipient countries is "one of the most acute problems" and that "the committee is far from convinced that the program is sound or that it will be efficiently administered." It said the conferees on the interim authorization bill modified the Andresen wheat-carryover amendment so as to make it "nugatory" and that the appropriation bill carries a limitation "which is largely in the same terminology as the original Andresen amendment." Regarding the authority for this Department to use interim-aid funds for certain specified purposes, the report stated, "The Director of the Bureau of the Budget and the Secretaries of...and Agriculture are expected to scrutinize most carefully any expenditures under this broad authority."

The debate included discussions of food procurement, etc. Rep. Rankin/ said REA needs an appropriation of \$200,000,000 for the remainder of this fiscal year and asked if such an amendment would be in order. Rep. Cannon, Mo., said he was "in heartiest sympathy" with such an amendment but that he would not say whether it would be subject to a point of order until he saw it. (p. 11589.)

The bill had been reported earlier in the day by the Appropriations Committee. (H. Rept. 1191)(p. 11614.)

2. ASSISTANT SECRETARIES. Both Houses received from this Department proposed legislation to provide for 2 additional Assistant Secretaries of Agriculture and for a statutory salary of \$10,000 for the existing position as Assistant Secretary. To Agriculture Committees. (pp. 11553, 11614.)
3. PRICE SUPPORTS. Rep. Murray, Wis., claimed the Department is not carrying out price-support requirements for poultry (p. 11586).  
Rep. Keating, N. Y., inserted a statement by C. W. Watkeys claiming that eggless Thursdays result in price supports for eggs (p. 11586).
4. HOUSING. Received the conference report on S. 1770, to increase the amount of mortgage-insurance resources, through the Federal Housing Administration, by \$750,000,000 (p. 11608).
5. INFLATION; FOREIGN AID. Rep. Javits, N. Y., recommended the following to provide for foreign aid and fight domestic inflation: Voluntary price and wage fixing; use of farm credit and price supports to control prices; export, transportation, and credit controls; food conservation; Taft-Ellender-Wagner housing bill; etc. (pp. 11609-13).

#### SENATE

6. INFLATION CONTROL. The "Daily Digest" states that the Banking and Currency Committee reported with amendments S.J.Res. 167, the Taft commodity-price-stabilization measure (S.Rept. 780) (pp. D725, D726). As introduced the measure authorizes the President to consult with industry, business, and agriculture representatives with a view to making voluntary agreements to provide for allocation of transportation facilities, livestock and poultry marketing at weights and grades to effect efficient grain utilization, allocation and inventory controls of scarce commodities, regulation of speculative trading on commodity exchanges, or agreements which will otherwise carry out the purposes of the act; authorizes the President to approve such voluntary agreements, but prohibits approval of



any agreement which fixes prices or extends beyond Mar. 1, 1949; relieves parties to approved voluntary agreements from operation of the anti-trust laws, etc., with respect to such agreements; extends export-control authority to Feb. 28, 1949; continues authority for allocation of transportation facilities; authorizes the President to delegate authority under this act to any department, agency, or officer in the Executive Branch; and authorizes an appropriation to carry out the provisions of the act.

The "Daily Digest" states that "As reported the resolution was amended to continue title 3 of the Second War Powers Act of 1942 as amended, until and including January 31, 1948, for the exercise of the powers, authority, and discretion conferred on the President under that title, with respect to the allocation of grain for distilled spirits for beverage purposes; to delete provision (page 2, lines 10-12) for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grains; and add to section 3 of the bill price criteria in the licensing of exports."

EXECUTIVE ORGANIZATION. Agreed, 51-26, to the conference report on H.R. 4469, to authorize the Commission on Organization of the Executive Branch to procure the temporary or intermittent services of experts or consultants or organizations thereof, and to permit the employment of attorneys or experts who may be prosecuting claims against the U.S. (pp. 11573-9). This bill will now be sent to the President.

8. FOOD PRODUCTION; FOOD PRICES. Sen. Langer, N.Dak., discussed food-production record of North Dakota and pointed out the increases in prices of the things the farmer buys in relation to the prices of farm commodities (pp. 11560-6).

9. FOREIGN AFFAIRS. Sen. Wiley, Wis., inserted his recent letter to State Department making recommendation for a U.S. overseas informational program (pp. 11557-8).

The "Daily Digest" states that the Civil Service Committee "approved for reporting" S. 1813, to reduce parcel-post rates on packages shipped abroad for relief purposes (p. D726).

10. NOMINATIONS. Confirmed the nominations of R.M. Foley to be Housing and Home Finance Administrator, and O.R. Ewing to be Federal Security Administrator (p. 11581).

#### BILLS INTRODUCED

11. COMMODITY EXCHANGE. S. 1881, by Sen. Barkley, Ky., to amend the Commodity Exchange Act to grant the Secretary of Agriculture authority to regulate margin requirements with respect to speculative transactions in commodity futures on commodity exchanges. To Agriculture and Forestry Committee. (p. 11553.) Remarks of author (p. 11554).

H.Res. 404, by Rep. Andresen, Minn., creating a select committee to investigate transactions on commodity exchanges. To Rules Committee. (p. 11615.) Remarks of author (pp. 11584-5).

12. FOOD CONSERVATION. S. 1882, by Sen. Barkley, Ky., to authorize a food and feed conservation program. To Agriculture and Forestry Committee. (p. 11553.) Remarks of author (p. 11554).

13. PRICE CONTROL. S. 1883, by Sen. Barkley, Ky., "to provide for the temporary control of prices on certain vital commodities in short supply that basically affect the cost of living or agricultural or industrial production." To Bank-



ing and Currency Committee. (p. 11553.) Remarks of author (pp. 11579-81).

H.R. 4759, by Rep. Snence, Ky., "to provide for temporary control of prices on certain vital commodities in short supply that basically affect the cost of living or agricultural or industrial production." To Banking and Currency Committee. (p. 11615.)

14. FOOD PRODUCTION. S.J.Res. 168, by Sen. Barkley, Ky., to authorize the Commodity Credit Corporation to promote the production of foods, agricultural commodities and products thereof, in non-European foreign countries. To Banking and Currency Committee. (p. 11553.) Remarks of author (p. 11554).
15. EXPORTS. H.R. 4758, by Rep. Kersten, Wis., to control the export to foreign countries of all goods and materials, including building materials, coal, fuel oil, food, farm machinery, grain, meats, metals, fats, motor vehicles, scientific equipment, scrap iron, wood products, steel products, lumber, steel, or iron from the U.S. To Interstate and Foreign Commerce Committee. (p. 11615.)
16. LIVESTOCK AND MEAT. H. Res. 406, by Rep. Johnson, Ill., directing the U.S. Department of Agriculture to release its estimate of the numbers of livestock on farms and ranches as of Jan. 1 each year, by not later than Jan. 18 of each year. To Agriculture Committee. (p. 11615.)
17. FERTILIZERS; SOIL CONSERVATION. H.R. 4752, by Rep. Dirksen, Ill., to improve and maintain the soil resources of the Nation and their use through the establishment of a National Fertilizer and Soil Fertility Laboratory. To Agriculture Committee. (p. 11615.)
18. FOREIGN AID; POSTAGE RATES. H.R. 4750, by Rep. Miller, Calif., to reduce postage rates on parcels containing food, clothing, or medicines mailed to certain foreign countries. To Post Office and Civil Service Committee. (p. 11615.)
19. PERSONNEL. H.R. 4749, by Rep. Miller, Calif., and H.R. 4756, by Rep. Davis, Ga., to provide additional compensation for employees of the Federal Government and of the Government of the District of Columbia. To Post Office and Civil Service Committee. (p. 11615.)  
S. 1887, by Sen. Hatch, N.Mex., to prohibit the receipt by any person from any contractor with the U.S. during the period of his performance under the contract, of any contribution for a political purpose or use. To Rules and Administration Committee. (p. 11553.) Remarks of author (p. 11554).
20. EXPENDITURES; RECLAMATION. S. Res. 176, by Sen. Downey, Calif., to investigate the legality of expenditures made by the Bureau of Reclamation. To Expenditures in the Executive Departments Committee. (p. 11554.)

#### ITEMS IN APPENDIX

21. FERTILIZERS. Rep. Gary, Va., inserted Chas. E. Heinrichs' (Virginia-Carolina Chemical Corp.) statement before the Fertilizer Subcommittee on the fertilizer situation (pp. A5135-6).
22. INFLATION. Rep. George, N.Y., inserted a Wall Street Journal editorial urging repression of inflation (pp. A5137-8).  
Extension of remarks of Rep. Albert, Calif., criticizing H.J.Res. 273, the Wolcott anti-inflation bill (p. A5137).  
Rep. Anderson, Calif., inserted Wm. Chamberlain's (Calif.) letter on inflation here and abroad (pp. A5138-42).  
Extension of remarks of Rep. Lynch, N.Y., urging continued session of



(in the Budget) tends to confuse Members of Congress as well as private citizens...Almost all of the facts are there - but it becomes next to impossible to find or correlate them. Your committee believes that the brief, clear 'showcase' budgetary presentation envisioned by the framers of the Legislative Reorganization Act is not only absolutely necessary, but attainable." The report then contains proposed samples of such a "pocket budget summary", including one for USDA, and definitions of various budgetary and financial terms. Also, of course, it includes the recommendations mentioned in Digest 163.

#### SENATE

12. INFLATION. Began debate on S.J.Res. 167, the Taft inflation-control measure (pp. 11619-29, 11638-49). During the debate, Sens. Taft (Ohio), Barkley (Ky. and Ferguson (Mich.) discussed whether or not the Senate Appropriations Committee has authority to subpoena from the Department information regarding traders in grain on commodity exchanges, or whether a joint resolution such as introduced by Sen. Barkley (see item 15) would be necessary (pp. 11619-21).

Agreed to the following Committee amendments: To strike out the provision for voluntary agreements "providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain" to permit the President to use "price criteria in the licensing of exports;" to revive and continue until Jan. 31, 1948 the authority under the Second War Powers Act for the allocation of grain for the production of distilled spirits with an amendment by Sen. Barkley to include "neutral spirits" (p. 11638).

Debated an amendment by Sen. Barkley, which, in conjunction with two other amendments to be considered separately, would authorize allocation and priority controls (pp. 11638-49).

Sen. Taft, Ohio, submitted interim report of Joint Committee on Economic Report which includes the following recommendations: (1) Restraint of "excessive expansion" of consumer credit controls; (2) study by appropriate Congressional committees of "improper or excessive trading" on commodity exchanges; (3) extension of export controls; (4) extension of allocation authority for transportation facilities and equipment; (5) encouragement of USDA's grain conservation program; and (6) submission by USDA of a detailed program for increased foreign food production (pp. 11649-51).

13. CONSUMER CREDIT. Passed with amendments S.J.Res. 157, to extend consumer credit controls to Mar. 15, 1949 (pp. 11629-37).

#### BILLS INTRODUCED

14. FOOD RATIONING. S. 1899, by Sen. Flanders, Vt. (for himself and Sen. McCarthy, Wis.), to provide for the establishment of a plan under which consumers may cooperate in the voluntary rationing of meat and meat products. To Banking and Currency Committee. (p. 11618.)

15. COMMODITY EXCHANGES. S.J.Res. 169, by Sen. Barkley, Ky., to authorize the Secretary of Agriculture to publish the names of persons transacting business on the boards of trade and the amounts of commodities purchased or sold by each such person. Ordered to lie on the table. Remarks of author (pp. 11618-9).  
H.J.Res. 273, by Rep. Havenner, Calif., authorizing and directing the Secretary of Agriculture to transmit to Congress the names of all persons who have engaged in transactions on commodity exchanges. To Agriculture Committee (p. 11693.)

H.J.Res. 280, by Rep. Smith, Va., to authorize the Secretary of Agriculture



ture to reveal to committees of the Senate and House of Representatives information with respect to certain speculators in commodities. To Agriculture Committee. (p. 11693.)

H.J.Res. 281, by Rep. Buchanan, Pa., to authorize the Secretary of Agriculture to reveal to committees of the Senate and House of Representatives information with respect to certain speculators in commodities. To Agriculture Committee. (p. 11693.) Remarks of author (p. 11691).

H.Con.Res. 124, by Rep. Combs, Tex., to create a joint committee of the House and Senate to investigate commodity speculation. To Rules Committee. (p. 11693.) Remarks of author (p. 11654).

H.J.Res. 282, by Rep. Hoffman, Mich., directing the executive departments herein named to make available to the House Committee on Expenditures in the Executive Departments certain information in their possession. To Expenditures in the Executive Departments Committee. (p. 11693.) Remarks of author (p. 11692).

16. PERSONNEL. H.R. 4767, by Rep. Bartlett, Wyo., and H.R. 4777, by Rep. Ross, N.Y., to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia. To Post Office and Civil Service Committee. (p. 11693.)

#### ITEMS IN APPENDIX

17. INFLATION CONTROL. Extension of remarks of Rep. Jarman, Ala., criticizing "gag circumstances" of the consideration of H.J.Res. 273, the Wolcott anti-inflation measure (p. A5172).

Rep. Kunkel, Pa., inserted his recent radio speech explaining H.J.Res. 273 (pp. A5176-7).

18. GRAIN CONSERVATION. Rep. Morton, Ky., inserted a Louisville (Ky.) Courier Journal article, "Cox Claims Grain-Saving Program is Creating Distillery Monopoly - Says Publicker is Benefiting" (p. A5163).

19. PERSONNEL. Rep. Kennedy, Mass., inserted Commentator Geo. E. Reedy's recent broadcast commending Sen. Langer's (N.Dak.) championing of Federal employees (p. A5174).

20. ELECTRIFICATION. Extension of remarks of Rep. Mack, Wash., pointing out the need for electricity in Wash. and Ore., and inserting an Aberdeen World editorial, "Scarce Kilowatts" (p. A5174).

21. CRITICAL MATERIALS. Sen. Knowland, Calif., inserted John Gerrity's Pathfinder article, "Stock Piling Critical Materials" (pp. A5162-3).

22. VETERANS' BENEFITS. Extension of remarks of Rep. McDonough, Calif., stating that the problem of reemploying veterans is not yet solved and including a Labor Department bulletin on the subject (pp. A5171-2).

23. HOUSING. Extension of remarks of Rep. Jennings, Tenn., favoring an increase in authority for Federal Housing Administration to insure housing loans (p. A5164).  
Rep. MacKinnon, Minn., inserted a report of the Federal Housing Administration on new-home mortgage commitments (pp. A5164-5).

24. FOREIGN AID. Speech in the House by Rep. Mason, Ill., claiming that "international mistakes" of the past have made the "Marshall Plan" necessary (pp. A5165-6).

Rep. Javits, N.Y., inserted a World-Report article claiming that Russian production is so low that they can spare few goods to offset the "Marshall Plan" aid proposed by U.S. (pp. A5181-2).

STABILIZATION OF COMMODITY PRICES AND THE  
NATIONAL ECONOMY

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DECEMBER 16 (legislative day, DECEMBER 4), 1947.—Ordered to be printed

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Mr. TOBEY, from the Committee on Banking and Currency,  
submitted the following

## REPORT

[To accompany S. J. Res. 167]

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the joint resolution as amended do pass.

The committee has given careful consideration to measures which can be taken during the current session to curb inflationary trends. It is deeply concerned over the steady increase of the price level. Already high prices impose great hardship and suffering on many families. To stem the rising tide of inflation the committee has lent its immediate support to the less controversial part of the President's 10-point program as presented at the opening of the special session on November 17, 1947. It has authorized the President to consult with representatives of industry, business, and agriculture in order to encourage persons engaged in those pursuits to make voluntary agreements approved by the President. Such agreements will be designed to limit inventories and to authorize priorities with a view to removing bottlenecks in the production of vital commodities. If it appears that voluntary controls are inadequate to meet specific problems, the committee will consider the granting of additional authority to meet such particular problems. In the next regular session of the Congress the committee intends to continue its study of the entire program and to explore its potential consequences.



## AMENDMENTS

The committee has amended Senate Joint Resolution 167 in the following respects:

The first committee amendment struck out paragraph (2) of section 2 (a). This paragraph permitted voluntary agreements with respect to the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain. The committee felt that inherent difficulties of administering any such voluntary agreement made it inadvisable to keep it in the bill and accordingly recommends that it be stricken. The remaining paragraphs of that subsection are accordingly renumbered.

The second committee amendment amends section 3 of the bill to permit the President in the exercise of the powers conferred upon him by the Export Control Act to use price criteria in the licensing of exports. He is authorized to give preference among otherwise comparable applications to those which provide for the lowest prices. In exceptional circumstances he is also authorized to fix reasonable mark-ups in export prices over domestic prices. This amendment was requested by Secretary of Commerce Harriman as necessary to prevent exporters from selling commodities in the foreign market at excessive prices. He stated:

Furthermore there is a tendency for inflated world prices of commodities to infiltrate into the domestic economy. Foreign purchasers are often willing to pay prices substantially above the domestic price of scarce materials. Exporters are therefore in position to sell them at excessive prices and hence to pay excessive prices for their supplies, thus bidding the available supplies away.

The world needs goods from the United States. If our goods are sold at inflated prices, the result is a more rapid depletion of dollar exchange reserves of receiving countries. We have a direct interest in providing necessary goods to foreign buyers at fair prices. This is in our long-term foreign-trade interest.

The third committee amendment amends section 4 of the bill by adding a new subsection (b) which revives and reenacts the original authority vested in the President by title III of the Second War Powers Act, 1942, but limits such authority to the allocation of grain for the production of distilled spirits for beverage purposes. Such authority will expire on January 31, 1948.

## GENERAL STATEMENT

The President recommended a 10-point program. There were some of these points which suggested legislation not primarily within the jurisdiction of the Committee on Banking and Currency. The committee gave consideration, however, to the whole program. It was necessary to do so in our attempts to get a full understanding not only of the purposes but the manner in which the objectives could be accomplished.

The President in his message asked, among other things, for the following categories of controls. In the first category he asked for authority to—

(1) Provide for allocation of transportation facilities and equipment.

(2) Provide for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain.

(3) Provide for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production.

(4) Provide for regulation of speculative trading on commodity exchanges.

In the second category the President asked for authority to restore consumer credit controls.

This committee has reported favorably Senate Joint Resolution 157 to accomplish this purpose. In this second category the President further asked for authority to restrain the creation of inflationary bank credit, to extend and strengthen export controls, to extend and strengthen rent control, to authorize consumer rationing on products in short supply which basically affect the cost of living and to authorize price ceilings on products in short supply which basically affect the cost of living or industrial production and to authorize such wage ceilings as are essential to maintain the necessary price ceilings.

As the committee understands the President's program, it is planned to put into operation voluntary agreements with respect to the requested authority contained in the first category. The program could be divided into three phases: (1) Voluntary controls, (2) statutory controls over priorities and allocations, and (3) price and wage controls. It was not expected to put into effect statutory controls until the voluntary program had been given a fair chance to accomplish its purposes and price and wage controls would not be put into effect until and unless the voluntary program failed and it was found impossible to effectuate the purposes of the program by statutory allocation and priority controls. It was thought advisable to consult with representatives of industry, business, and agriculture with a view to encouraging voluntary agreements.

The authority to enter into voluntary agreements contained in section 2 of the joint resolution is to enable the Administration to get the program started. It should be definitely understood that this part of the program is purely voluntary. No representatives of industry, business, and agriculture would be compelled to consult with the President. Neither would they be compelled after consultation to enter into any agreement. To encourage consultations and agreements which might be an aid in the stabilization effort, the joint resolution provides that parties to any such agreement approved by the President or whomsoever he might designate shall be relieved from the operation of the antitrust laws and all other restraints, limitations, and prohibitions of law with respect to the making of such agreements. It is distinctly understood, and the joint resolution provides, that the agreements entered into shall not be binding industry-wide but shall be effective only against the parties to the agreement. Likewise, the President or anyone whom he might designate to act in his behalf is not obligated to approve any agreement.

In respect to the second category of the President's proposals, the committee thought many of them might not be required if the voluntary program was a success. Others were dependent upon the solution of problems incident to broad, basic, very important changes in the governmental monetary and fiscal policies. Obviously it was impracticable to try to cover them in the short period between now and the adjournment of the special session. The committee felt, however, that in respect to the proposals in the first category which



constitute the first phase of the President's program, that it was advisable to enact them at this special session. In these respects the committee has endeavored to comply with that part of the President's program which it believes can safely be put into effect immediately.

## EXPLANATION OF THE JOINT RESOLUTION BY SECTIONS

### DECLARATION OF PURPOSES

Section 1 declares that the purposes of the joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities which basically affect the cost of living or industrial production.

### VOLUNTARY AGREEMENTS

Subsection (a) of section 2 authorizes the President to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture of voluntary agreements approved by the President which will carry out the purposes declared in section 1.

Subsection (b) of section 2 authorizes the President to approve any agreement between persons engaged in industry, business, or agriculture which he finds will carry out any of the purposes declared in section 1, except that he may not approve any agreement unless such agreement specifically provides that it shall cease to be in effect on or before March 1, 1949, and he may not approve any agreement which provides for the fixing of prices.

Section 5 of the joint resolution authorizes the President to delegate his authority under this section to any department, agency, or officer of the Government.

Subsection (c) of section 2 provides that parties to any agreement approved under this section are relieved from the operation of the antitrust laws and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreements and with respect to carrying out such agreements prior to March 1, 1949, in conformity with its provisions. It is the intention to permit the carrying out of approved agreements, notwithstanding any provision of Federal, State, or municipal law, to the full extent of the power of Congress to temporarily set aside the effect of such laws.

This section does not require the President to approve any agreement, even though it would carry out the purposes of section 1 of the joint resolution, and he would therefore be able to withhold his approval in the case of any agreement which he considered to be against the public interest or otherwise objectionable.

An agreement entered into under this section would not, of course, be binding on any person not a party to it.

Neither the Government nor any agency thereof would be parties to any such agreement, and the Government is not granted any power or authority to compel any person to carry out or conform with such an agreement. Any provisions of the agreement intended to require conformity with its provisions would be only such as the parties themselves agree to voluntarily.

## EXPORT CONTROLS

Section 3 of the joint resolution, as reported, extends the authority granted by section 6 of the Act of July 2, 1940 (the Export Control Act), until the close of February 28, 1949. Under section 6 (d) of such act such authority may be terminated on any prior date which the Congress by concurrent resolution or the President may designate.

## ALLOCATION OF TRANSPORTATION FACILITIES

Section 4 continues through February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, the powers, authority, and discretion with respect to the use of transportation equipment and facilities by rail carriers conferred on the President by title III of the Second War Powers Act, 1942, as amended.

## DELEGATION OF AUTHORITY

Under section 5 the powers, authority, and discretion conferred on the President with respect to voluntary agreements under section 2 of the joint resolution, with respect to exports under the Export Control Act, and with respect to the use of transportation equipment and facilities by rail carriers and with respect to grain under section 4 of the joint resolution may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

## AUTHORIZATION FOR APPROPRIATIONS

Section 6 of the joint resolution authorizes to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of the joint resolution.













# S. J. RES. 167

[Report No. 780]

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 15 (legislative day, DECEMBER 4), 1947

Mr. TAFT introduced the following joint resolution; which was read twice and referred to the Committee on Banking and Currency

DECEMBER 16 (legislative day, DECEMBER 4), 1947

Reported by Mr. TOBEY, with amendments

[Omit the part struck through and insert the part printed in italic]

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## JOINT RESOLUTION

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

1       *Resolved by the Senate and House of Representatives*  
2       *of the United States of America in Congress assembled,*

3                       DECLARATION OF PURPOSES

4       SECTION 1. The purposes of this joint resolution are to  
5       aid in stabilizing the economy of the United States, to aid in  
6       curbing inflationary tendencies, to promote the orderly and  
7       equitable distribution of goods and facilities, and to aid in  
8       preventing maldistribution of goods and facilities which  
9       basically affect the cost of living or industrial production.



## VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

~~(2)~~ providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

~~(3)~~ (2) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

~~(4)~~ (3) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Parties to any agreement approved under this

1 section are hereby relieved from the operation of the anti-  
 2 trust laws, and of all other restraints, limitations, and  
 3 prohibitions of law, with respect to the making of such  
 4 agreement and with respect to carrying out such agree-  
 5 ment prior to March 1, 1949, in conformity with its  
 6 provisions.

7 (d) As used in this section the term "person" means  
 8 an individual, corporation, partnership, or association.

#### 9 EXPORT CONTROLS

10 SEC. 3. (a) Section 6 (d) of the Act of July 2, 1940  
 11 (54 Stat. 714), as amended, is amended by striking out  
 12 "February 29, 1948" and inserting in lieu thereof "Febru-  
 13 ary 28, 1949".

14 (b) *Notwithstanding any other provision of law, the*  
 15 *President in the exercise of the powers, authority, and*  
 16 *discretion conferred upon him by such Act of July 2, 1940,*  
 17 *as amended, is authorized to use price criteria in the licens-*  
 18 *ing of exports, either by giving preference among other-*  
 19 *wise comparable applications to those which provide for the*  
 20 *lowest prices, or, in exceptional circumstances, by fixing*  
 21 *reasonable mark ups in export prices over domestic prices.*

#### 22 ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

23 SEC. 4. (a) Notwithstanding any other provision of  
 24 law, title III of the Second War Powers Act, 1942, as  
 25 amended, shall continue in effect to and including February



1 28, 1949, or such earlier date as the Congress by concurrent  
2 resolution or the President may designate, for the exercise  
3 of the powers, authority, and discretion conferred on the  
4 President by such title III with respect to the use of  
5 transportation equipment and facilities by rail carriers.

6 *(b) Notwithstanding any other provision of law, title*  
7 *III of the Second War Powers Act, 1942, is hereby revived*  
8 *and reenacted for the exercise of the powers, authority, and*  
9 *discretion conferred on the President by such title III with*  
10 *respect to the use of grain for the production of distilled*  
11 *spirits for beverage purposes. The authority granted by*  
12 *this subsection shall expire on January 31, 1948.*

13 DELEGATION OF AUTHORITY

14 SEC. 5. The authority granted to the President by  
15 section 2 of this joint resolution and, notwithstanding the  
16 provisions of section 6 of the Second Decontrol Act of 1947,  
17 the authority granted to the President by section 4 of this  
18 joint resolution and by section 6 of the Act of July 2, 1940  
19 (54 Stat. 714), as amended, may, to the extent the Presi-  
20 dent directs, be exercised by any department, agency, or  
21 officer in the executive branch of the Government.

22 AUTHORIZATION FOR APPROPRIATIONS

23 SEC. 6. There is hereby authorized to be appropriated  
24 such amounts as may be necessary for purposes of carrying  
25 out the provisions of this joint resolution.











80TH CONGRESS  
1ST Session

# S. J. RES. 167

[Report No. 780]

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## JOINT RESOLUTION

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To aid in the stabilization of commodity prices,  
to aid in further stabilizing the economy of  
the United States, and for other purposes.

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By Mr. TAFT

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DECEMBER 15 (legislative day, DECEMBER 4), 1947

Read twice and referred to the Committee on  
Banking and Currency

DECEMBER 16 (legislative day, DECEMBER 4), 1947

Reported with amendments







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued December 18, 1947  
For actions of December 17, 1947  
50th-1st, No. 166

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**HIGHLIGHTS:** House passed appropriation bill including foreign aid, etc.; rejected amendments to reduce minimum wheat carryover and to increase REA funds. House committee reported resolution for investigation of Government buying and commodity speculation. House discussed commodity exchanges and whether list of speculators should be released. Senate debated Taft inflation-control bill, agreeing to committee amendments, and debating Barkley amendment to authorize allocation-priority powers. Sens. Taft, Barkley, and Ferguson discussed authority of S. Appropriations Committee to subpoena USDA lists of commodity speculators. Bills introduced: By Sen. Barkley, to authorize publication of commodity speculators; by Rep. Havenner, to authorize transmission of such list to Congress; by Rep. Smith (Va.) and Buchanan to authorize transmission of such list to Congressional committees; and by Sens. Flanders and McCarthy, to provide for voluntary food rationing. Senate received interim report from Joint Economic Committee making inflation-control recommendations.

HOUSE

1. **THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948.** Passed with amendments this bill, H. R. 4748 (pp. 11663-88).

Rejected the following amendments:

- By Rep. Fulton, Pa., to reduce the minimum wheat carryover from 150,000,000 bushels to 100,000,000 bushels (pp. 11667-9).
- By Rep. Javits, N. Y., to increase the foreign-aid item from \$509,000,000 to \$535,000,000 (p. 11669).
- By Rep. Rankin, Miss., (81-98) to appropriate \$200,000,000 additional for REA loans (pp. 11670-5). Later Rep. Rankin made a motion to recommit the bill with instructions for inclusion of a \$150,000,000 item for this purpose, but the motion was rejected, 55-167 (p. 11683).
- By Rep. Kersten, Wis., to increase the item for Government and relief in the occupied areas from \$230,000,000 to \$232,000,000 (p. 11675).

Agreed to amendments by Rep. Harless, Ariz., and Del. Bartlett, Alaska, to increase the Indian relief items by a total of \$376,000 (pp. 11676-82).

There was discussion of the Bureau of Reclamation items (pp. 11683-6). Several members discussed the extent to which Congress has reduced the Budget (pp. 11686-8). In a discussion with Rep. Rees, Kans., Rep. Taber, N. Y., stated that authority to ship tobacco was included in the \$50,000,000 limitation on losses from surplus-commodities shipments (pp. 11669-70).



2. COMMODITY EXCHANGES. The Rules Committee reported without amendment H. Res. 404, to create a select House committee to investigate "purchases and sales of commodities, including transactions in the purchase and sale of commodities for future delivery, and including (a) the activities of any department or agency ...in connection with the purchase and sale of commodities, and...any other activities of any such agency or department that may have heretofore affected, or may hereafter affect, the price of food and other commodities; and (b) the private acts and official activities of any individual in the United States Government in connection with the purchase or sale of commodities" (p.11662). Discussed by Rep. McCormack, Mass. (pp. 11688-9).
3. HOUSING. Agreed to the conference report to increase the amount available for FHA insurance (pp. 11662-3). The Senate also agreed to the report (p.11637). This bill will now be sent to the President.
4. PUBLIC WORKS. The Rules Committee reported without amendment H. Res. 403, to direct the Public Works Committee to investigate black markets which interfere with prosecution of public works (p. 11688).
5. COMMODITY EXCHANGES. Rep. MacKinnon, Minn., claimed the Commodity Exchange Act does not prohibit the Secretary of Agriculture from making public the names of speculators, and said "he is under legal and moral duty to submit all names" (p. 11689).  
Rep. Hoffman, Mich., said "I find in these investigations that every time we get near some individual, or close to some information that is worth while, the department tells you that you cannot have the needed facts because if it is disclosed, the disclosure will endanger the safety of the United States" (p. 11690).  
Rep. Harris, Ark., said the President recommended regulation of speculation but that Congress has done nothing about it, and defended Secretary Anderson against criticisms regarding whether he should release a list of speculators (p. 11658).  
Rep. Rees, Kans., said there should be a complete investigation of commodity speculation but that, meanwhile, Mr. Pauley should resign (p. 11658).  
Rep. Hill, Colo., demanded Pauley's resignation (pp. 11656-7).
6. INFLATION CONTROL. Rep. McGarvey, Pa., criticized recommendations for control authority and spoke in support of the Wolcott bill (pp. 11653-4).  
Rep. Buffett, Nebr., claimed that the price-control authority recommendations are making the meat shortage worse (p. 11653).
7. FUR SITUATION. Rep. Woodruff, Mich., recommended protection of the domestic fur farmers from foreign imports (pp. 11654-5).
8. FOOD CONSERVATION. Rep. Arends, Ill., claimed Mr. Luckman participated in a "feast" (pp. 11654-8).
9. RURAL ELECTRIFICATION. Rep. Rankin, Miss., discussed REA accomplishments and included a table comparing the 1934 and 1946 situations (pp. 11658-9).
10. FOREIGN AID. Rep. Keefe, Wis., inserted a table showing daily CCC wheat purchases and claimed that this shows "the relationship between those purchases and the price on the Chicago grain market." (pp. 11660-2.)
11. BUDGETING. Following are excerpts from S. Rept. 779, by the Senate Expenditures Committee (see Digest 163): "The clearest result of the study is to point out that potential expenditures far exceed amounts approved in appropriation bills...It therefore appears that each expenditure should be subject to annual review...the deluge of statistics and lack of uniformity in terminology

Congress to pass anti-inflation bill (pp. A5145-6).

23. COMMODITY EXCHANGE; GRAINS. Sen. Brooks, Ill., inserted a Modern Miller and Bakers News editorial "Grain Exchange 'Gambling'" (pp. A5125-6).
24. FOREIGN AID. Various and sundry remarks and insertions on the foreign aid program (pp. A5128, A5130-1, A5147, A5148-9, A5150).
25. WOOL PRICES. Extension of remarks of Rep. Barrett, including Curt E. Forstmann's statement, criticizing high prices of wool and woolen products (pp. A5158-9).
26. FARM LANDS. Extension of remarks of Del. Bartlett, Alaska, urging "justice to all parties" in the settlement of Alaskan lands and inserting his letter to the Alaska Native Sisterhood on the subject (pp. A5131-3).  
Rep. Miller, Calif., inserted M.C. Hermann's (VFW Calif.) statement opposing repeal of the 160-acre land limitation and citing the need of veterans' for farm lands (pp. A5144-5).
27. CENTRAL VALLEY PROJECT. Rep. Miller, Calif., inserted C.J. Haggerty's (Calif. Federation of Labor secretary) statement in support of this project (pp. A5151-3).
28. UN-AMERICAN ACTIVITIES. Rep. Hallock, Ind., inserted Frank C. Waldrop's Washington Times-Herald article favoring Rep. Cole's (Mo.) bill to bar from voting all political organizations which are un-American (p. A5149).
29. PUBLIC DEBT. Rep. Simpson, Ill., inserted a Quincy (Ill.) Herald-Whig editorial "Taxes Should be Earmarked to Insure Debt Retirement" (pp. A5128-9).
30. TRANSPORTATION. Rep. Cunningham, Iowa, inserted F. R. White's (Iowa State Highway Commission) statement on the national system of interstate highways (pp. A5127-8).
31. HOUSING. Extension of remarks of Rep. Smith (Wis.) and Rep. Riley (Calif., favoring increased insurance authorization under the National Housing Act (pp. A5137, A5149-50).  
Rep. Douglas, Calif., inserted a report of the Los Angeles (Calif.) housing situation and his letter to Rep. Gamble (N.Y.) on the subject (pp. A5154-5, A5156-8).

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COMMITTEE HEARINGS ANNOUNCEMENTS for Dec. 17: S. Agriculture, loans to fur farmers (Farrington and Wells, FCA) (ex.); S. Appropriations and H. Foreign Affairs, foreign aid; H. Agriculture, foreign farm labor; H. Rules, commodity-exchanges investigation; S. Appropriations, Bureau of reclamation; H. Appropriations, independent offices and Treasury-Post Office appropriations (ex.); H. Education and Labor, minimum wage bills; H. Public Lands, mines and mining policy (ex.); H. Public Works, roads (ex.).

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For supplemental information and copies of legislative material referred to, call Ext. 4654 or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.





take I do not know. I cannot make any further statement as to the program for the balance of the week.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'HARA, for the balance of the week, on account of official business.

#### SPECIAL ORDER

The SPEAKER pro tempore (Mr. CANFIELD). Under the previous order of the House the gentleman from New York [Mr. JAVITS] is recognized for 30 minutes.

(Mr. JAVITS asked and was given permission to revise and extend his remarks and to include as part of his remarks an article in the New York Times Magazine by Prof. Sumner Slichter.)

#### UNITY OF UNITED STATES DOMESTIC AND FOREIGN POLICY

Mr. JAVITS. Mr. Speaker, like so many of my colleagues this summer and early fall, I spent some weeks in the work of the Congress on a mission of inquiry in the occupied areas of Germany and Austria, and in Czechoslovakia, Poland, France, Belgium, Switzerland, Great Britain and Eire. I have now been back for 2 months and have had an opportunity to observe the juxtaposition of the domestic problems with which I am well familiar and the foreign situation. I find they are of one piece and that they demand such urgent action by the Congress that I am impelled to speak out for a policy of boldness and vitality on the part of our country at this moment without which western Europe and perhaps the world may be lost to the forces of democracy and individual freedom for which we stand. For just as the crises in western Europe are politically and economically at their height, so we are facing in the midst of unprecedented plenty, an abnormal crisis in our country, the fear that somehow the present situation will not last and that we shall have an economic crash even greater than that which followed 1929.

The high priests of communism are dinning into the ears of Europe and the world, the certainty of just such a cataclysmic depression, and by any evidence of fear and hesitation at this juncture we may underscore their every charge. Unless we kick ourselves loose and act the part which our position and our resources, material and moral, demand of us in the world of today we are in real danger of losing the initiative, if we have not lost it already, and of seeing democracy yield western Europe and Asia to the Communists by next spring.

As a member of the Economic Policy Subcommittee of the Foreign Affairs Committee and on the detailed job of inquiry on the International Trade Organization, which I shared with Congressman FULTON in Europe, I paid close attention to Europe's economic problems. At the root of these problems is the catastrophic destruction of Europe's economy.

Immediately following the war, the production of the individual nations of western Europe other than Germany had

fallen to unbelievable lows. In France and the Netherlands this production stood at about 30 percent of normal. In Italy it was 20 percent. The whole transportation system of Europe had come close to destruction; for example, out of 2,000,000 freight cars normally in use, 1,100,000 were either damaged or destroyed. In addition to the factors of actual destruction of homes and factories, economic prostration was also attributable to the complete distortion of the European economic machine; for the Nazis had channeled all of Europe's production into Germany to feed their war machine, and with its collapse Europe found itself channeled into a ruin with the need for completely changing the direction of its economy.

If this were not enough, the Nazis had critically damaged the European economy in yet another way. Production needs management, and in Europe the Nazis had liquidated all the leaders they could find who would not collaborate and as a result there had been an enormous destruction of managerial talent. Despite these factors leading to economic paralysis there was some recovery in 1946 in western Europe, but the 1947 drought which cut western Europe's already inadequate food supply in half, effectively halted recovery and turned the situation perilously downward. For example, France, which normally produces about 9,000,000 metric tons of bread grains produced only 3,800,000 metric tons in 1947, and Italy, which normally produces seven and one-half million metric tons of bread grains, produced in 1947 about 4,700,000 metric tons. These deficiencies in grain production coincided with a drastic rise in the price of bread grains in the United States and other world dollar markets, and placed a great strain on the meager available dollar resources of the affected countries leaving them helpless.

The result, as I saw it, this summer has been a wave of fear in western Europe reflecting the complete lack of confidence of the people in their own governments and in their own futures. This fear and lack of confidence is reflected in the fall of currency values which depend almost entirely on credit standing, and has brought in its train the flourishing black market and the refusal of farmers to exchange their produce for francs and lire. Under such circumstances city people come close to the use of force in order to obtain grain collections, and as soon as that happens it is a short step to the police state. Without substantial United States aid this very winter, that is exactly what would have happened in France and in Italy.

Yes, western Europe is prostrate and must have our help if we are all to survive as free peoples; but there are some crying needs in the United States, and the question is whether we are going to do something about these, too.

I have fought for major Federal aid to housing through the T-E-W bill which I offered in the House, but so far to no avail. Housing construction is inadequate to meet the need even of the veterans of World War II. As against a demonstrated minimum need of at the

very least 2,000,000 new home units in 1947, we shall be lucky to get 850,000. Two million to 4,000,000 veterans, it is authoritatively estimated, urgently and immediately need adequate shelter, not less than 20,000 of them are in my own district.

Inflationary forces at work in our economy are driving up the cost of living so as to multiply the difficulties of people with low and moderate incomes and to imperil the savings and security of millions of civil servants, retired workers, and others dependent on fixed incomes. Food prices stand almost double what they were before World War II at 196.5 percent of the 1935-39 price and are at the point above the highest range in the inflation which followed World War I. Construction materials are almost double their normal price, and manufactured goods are 40 to 60 percent higher than before the war. Added to all of this, taxation, Federal, State, and local, is taking between 25 and 30 percent of the income of all the people. Under these circumstances the people of the United States have a right to ask, "What of the foreign problems—they are very great but must we not do something about our own great problems, too?"

There is, indeed, grave danger that right now our whole will to aid in avoiding hunger in western Europe, in helping China, and in economic cooperation with Latin America may be jettisoned by the insistence of our people that action must be taken on our own problems, first. Now that the interim aid for western Europe has been approved, the American people have a perfect moral right to expect action on domestic problems.

The American people must be assured of stability in prices. At least they will then know where they are at and so prices of industrial and food products as well as wages should be frozen for a year with such adjustments in wages as may be necessary to retain the standard of living enjoyed in 1946. As production in some items is short of demand and additional work may increase it, that work should be applied but without breaking down existing wage structures. In order to bring about suitable balance between what we have and what we export and in order to avoid hoarding and profiteering, the Government should have renewed powers of export and transportation controls and the right to allocate scarce items and to control inventories in key items.

One of the greatest deterrents to runaway inflation has been national rent control. The Federal rent control law passed last spring has many loopholes. Nevertheless, it is a rent control law. It must be extended for at least a year, as the pressing housing shortage is still with us, but at the same time the loopholes which experience has demonstrated to be real must be closed. So serious are these loopholes that in New York City the municipal government acted to close some of them, but ensuing legal difficulties have imperiled this action. The present rent control law does not adequately protect tenants against eviction. Further, landlords have neglected main-



tenance and decoration of rented premises even every 3 years as is contemplated by present laws, and this obligation must be recognized and enforced. Finally, there has been much abuse of the so-called voluntary 15-percent increase which landlords have tried to make mandatory by their own actions. Especially bad is that section which states that when an increase agreement is made by the landlord and tenant, the particular premises affected are promptly removed from rent control. The extension of Federal rent control will bring home to the individual citizen the determination to protect him against inflation, and we must fight for its reform as indicated.

The run-away cost of food must be dealt with decisively. First—we all have a right to help ourselves, but such a movement needs leadership. As a result we must have not a superficial 60-day food-conservation program such as we have just had under the direction of the President's Food Conservation Committee, which has already ceased operations, but an agency for food conservation to take us through the emergency and which will really guide consumers in their own best interests to avoid by their own actions further boosting the price of food.

But this alone under present conditions is unlikely to be a whole cure in items like butter, milk, and meat, prices have already skyrocketed so far that we must be ready to face rationing and price control even in peacetime. The President has asked for blanket powers to impose rationing and price control in his discretion on selected items. Our experience with the President in 1946, when the rationing and price-control program was taken off at a time when it should not have been taken off, and which has largely contributed to our present troubles, does not inspire confidence or warrant the grant of authority now requested. It is the Congress which is to legislate for the people and the Congress which must protect the people. Accordingly, the Congress itself should enact the necessary rationing and price controls, specifying the items to be covered. That will be the best assurance that such controls will have a broad base of acceptance with the people and that administration and enforcement will be vigorous and well financed. Administration and enforcement should, of course, rest with the President, but the responsibility for establishing the controls should rest with the Congress.

One other group in the community fully entitled to the solicitude of the Congress are the veterans who are studying at schools and colleges or as apprentices in business. They are sorely pressed by the high cost of living, and allowances to them must be reviewed with this in mind.

How can we balance the solution of the problems of our own country with the urgent demands upon us of the world and the real necessity—in the interests of our national security and to preserve the freedoms we hold dearer than life itself—for taking that position of leadership which our resources and our capabilities demand?

Before we can answer this question we must consider the alternatives. It is by now clear that if we fail to take world leadership the Soviets will take it. They are already on the offensive in every quarter of the world. They have taken over the eastern-European countries and made them satellites. Now their ideological brothers seem to be trying, through the revolutionary activities of Communist-dominated trades unions, to take over the Governments of France and Italy and ultimately of all Europe. The only hope of leadership other than that of the U. S. S. R. is that of the United States. The essential difference between these two kinds of leadership is that whereas communism is the counsel of despair, democracy is the counsel of hope; whereas the Soviets can win by default, by default we must as surely lose.

Should Europe and Asia fall into the Soviet orbit we shall be cut off, not only politically but economically, too, from our natural friends and allies, and as the Soviets preach that the existence of a Communist and a private economy side by side in the world are incompatible, we shall have to proceed thereafter to protect against heavy attacks from within or without. The United States will have to be put on a strict defense footing and enormous sums will have to be spent for defensive operations in the whole Western Hemisphere, as well as in Africa, if that still remains feasible, and in Oceania. As an estimate it would call for tripling our present national-defense budget, increasing it from about eleven to about thirty billion dollars per annum, and tripling our manpower in the armed services from the present 1,500,000 to 5,000,000. Nor would this be all, for in its train would be required such discipline internally that many individual freedoms would have to be surrendered voluntarily or involuntarily in aid of the national effort. The need for such a large defense establishment would very materially reduce our standard of living both through the diversion of money and the necessary manpower for defense purposes and would deprive us of many of the very freedoms for which we fought. The Soviet temper being what it is, that kind of cold war, far more serious to us than the present one, could be waged for 10 or 20 years or more, until in sheer exasperation we might ourselves attack; and the Armageddon of the world would indeed be on.

This is not a pretty picture, but those are the alternatives for all who will to read. Under these circumstances, it is clear that the time is not for fear or vacillation; the time is for a policy of vitality and boldness. Some counsel the boldness of attack on the Soviets in the seat of their power, and its destruction now. We all realize that this is unthinkable for us. Our people are, quite naturally, against it; and if it were done, it would fail disastrously, for it would enlist the sympathy of the whole world in the Soviet cause and would result in such destruction as to multiply inconceivably the problems of already prostrate Europe. But the policy of boldness now called for is a boldness of which we are uniquely

capable. It is a boldness in production, a boldness in planning, and a boldness in management. We must at the same time deal with the problems of our own economy and lead in the solution of the problems of the European economy, of the Latin-American economy, and ultimately, of Asia's economy. We must share fairly, even short items like fertilizer, steel, farm machinery, and electrical generators and motors with western Europe and Asia, on the theory that we shall all prevail or hang together, and just as we shared to win the war in exactly the same way, must we share to win the peace.

The first principle we must accept is that of striking a rough balance of equity. We shall have to share not only what we have in plentiful supply but what we have in short supply, because what is short with us is short with the rest of the world, too; and in this way we can most strongly emphasize our position that democracy delivers while Communist promises.

But we must go much further than that, for Americans were never people to be content with items in short supply, but always people to struggle until that which was in short supply became plentiful. It is exactly at this point that our policy, one of boldness, comes in; for not only is Europe in the depths of a production crisis but we are here, and the very root of our own difficulties and our own lack of confidence in ourselves is our production deficiency.

A distinguished economist, Sumner H. Slichter, Lamont University professor at Harvard, and chairman of the Research Advisory Board of the Committee for Economic Development, writing in the New York Times in an article entitled "Is America's Industrial Plant Too Small?" which I am inserting as part of my remarks, says that we are producing one-third to one-half less than we ought to produce with our labor force, because our machinery and equipment and production methods are in a material way obsolete, and that we are employing about one-fifth less capital per worker today than in 1929.

Professor Slichter calls for an expenditure in American industry of about \$50,000,000,000 to raise capital per worker to the level of 1929 and a considerably larger outlay to raise capital per worker to the level which would be normal in view of the long-term tendency of capital per worker to increase at the rate of about 2 percent per year." He points out that though our steelmaking capacity at 91,000,000 tons per year is greater than that of the rest of the world combined, it has still increased only two-thirds over what it should have increased since 1929, and has been materially less than the increase of industrial production generally, which it paralleled closely before 1929. With the raw materials of South and Central America, Africa, Asia, and the East Indies available and with a vastly increased production here and in the other nations under the democratic system the chance to save them for democracy, and to establish their peoples on a new plateau of a higher standard of living is greater than ever, and we can assure for ourselves a century of the



greatest prosperity mankind has ever known.

An analysis of the income figures of the United States and of other democratic nations indicates how much room there is for improvement and what a great deal, even a little improvement will mean. The United Nations Conference on Trade and Employment now meeting in Habana has gotten together some interesting figures on national income in terms of United States dollars. Our national income of \$1,200 per year is probably the greatest attained by any people at any time in history. Contrast that with the national income of peoples of other democratic nations. In France it is \$300 per year, in Great Britain it is \$400 per year, in Italy and in Austria it is but \$100 per year and in Greece it is about \$70 per year. Among our neighbors in Latin America the situation is no better, in Argentina, probably the richest country in South America, the national income per person is \$300 per year, in Brazil it is less than \$100 a year, in Chile it is about \$150 per year. The world is in its infancy insofar as the development of its resources and of its standards of living are concerned. Certainly if we rest supinely on the theory that as long as we are doing fairly well that is all we have to worry about, Communist promises though empty will seem more glittering all the time and will gain converts by the millions.

To appraise what we must do at home and abroad, it is essential that we reorient our whole thinking to figures based on the new productive factors in the world. The single most important figure in the world today is the increase in the productivity of the United States industrial machine by not less than 50 percent in the years from 1929 to 1947, yet we may take it from Professor Slichter's analysis that this should be not 50 percent but 75 percent now, and should increase more rapidly in the future. If we adopt a policy of boldness and a policy of investment in our own productive machine with confidence as to its role in the world, we have a right to look forward to a national income not at the rate of \$200,000,000,000 which it is now, but at the rate of \$300,000,000,000 within 10 years, or about \$1,800 per annum for every man, woman, and child in the United States. What is more, if we increase our productive machine in this way and utilize our productive and managerial talents to increase the productivity of other democratic nations who look to us for leadership, we can raise the standards of living in western Europe, and among the other American republics who rely on us for economic leadership, by not less than 50 percent in the same period of time and in this way sustain our own economy.

This is a time when domestic inflation and foreign affairs come close to being one and the same problem. Accordingly, I suggest the following seven-point program relating our foreign policy to the fight against domestic inflation and shortages:

First. That the President issue a call for conferences of industry and labor to be held in key industries—steel, auto-

mobiles, textiles, petroleum, construction, and so forth—to agree upon a freeze of prices and wages for 1 year to December 31, 1948, with necessary wage adjustments to maintain living standards at the 1946 level; and that the trades unions agree on working overtime where increased production is possible in industries in which the unsatisfied demand is greatest.

Second. That the Government seek to bring about agreement with food producers and processors to freeze prices for 1 year, and use the farm-credit and farm-price stabilization programs to implement this freeze.

Third. That the Congress enact export, transportation, and bank-credit controls; restore powers of allocation and inventory control of key items like steel; extend the Federal rent-control law for 1 year to February 29, 1949, and close loopholes in the present law favoring landlords regarding rent increases, eviction of tenants, and obligations of maintenance and decoration on the part of the landlords; provide for the quicker amortization out of taxes payable by industry and agriculture of production facilities required to increase production of goods in short supply, and otherwise modernize the income-tax law, for instance, by permitting husbands and wives to report jointly the husbands' income and to reduce their taxes accordingly. As selected items like steel, grain, butter, milk, and meat are being subjected to much greater demand against limited supply, the Congress should itself authorize rationing and price control on these items, leaving only administration to the President.

Fourth. In the spirit of sharing and the willingness to accept some sacrifice to accomplish great objectives, that an over-all adequately financed food-conservation program be established under a food administrator to seek to reduce by voluntary action the pressures of demand which are increasing drastically the family food budget.

Fifth. That the Taft-Ellender-Wagner comprehensive housing bill be promptly enacted; and that a broad-scale housing program for veterans and other middle-income families be authorized providing assistance by the Federal Government in cooperation with State and municipal governments to bring down the cost of new homes to reasonable levels.

Sixth. That the program for aid to veterans be reviewed with special emphasis on the increase of subsistence allowances for students and learners to enable them to meet higher living costs, and for correction of inequalities in the veterans program.

Seventh. That as part of this program we declare and implement the following foreign-policy principles:

(a) Our forces intend to remain in Europe and we intend to assist in Asia until our international responsibilities have been discharged; and we will "sit out" the refusal of the Soviets to work out the world's problems for as long as it takes.

(b) We are ready to back with resources of production management, and with appropriate amounts of goods and

money, a recovery program of self-help and mutual cooperation without political conditions, for the democratic nations of Europe, Asia, and Latin America, in proper regional groupings, and under conditions adequate to guarantee that our skill and money, and the investments of our citizens, will be used for purposes of increasing the production of goods for the benefit of the peoples of these nations, and not as a WPA program.

(c) The doors of the democratic world will remain open to commercial interchange with eastern Europe and the U. S. S. R., if they will cooperate in economic self-help and will not abuse economic relations or the hospitality afforded in the course of economic relations.

A policy of vitality and boldness with our first purpose, the enormous expansion of our own production and that all the countries we would help, will be the greatest adventure, the greatest exploration the American people have ever known. Our people are young and virile, they are not old and stodgy, their imagination will not be captured by timid counsels of safety; their imagination will be captured by the world magnitude of a great job and by the goal of a world really secure which affords greater satisfaction to the individual. If we will undertake the job in this fashion, we will have a hundred years of the most productive and most rewarding work any nation or government on earth was ever privileged to undertake. Such a program will fire the American people and spur them on to the kind of magnificent effort which will surely do this job. With that spirit and that surge in our hearts we will make the "fishmongering abuse" of the police state look as puerile and reactionary as it really is. If we advance with such a program all mankind will have no trouble distinguishing its friends from its enemies.

[From the New York Times Magazine]  
IS AMERICA'S INDUSTRIAL PLANT TOO SMALL?  
PROFESSOR SLICHTER, BELIEVING THAT IT IS, HERE  
OUTLINES A PROGRAM FOR ITS SAFE EXPANSION

(By Sumner H. Slichter)

At the present time American industry is producing 10 percent more goods and services than the Brookings Institution recently estimated it would be able to produce by 1950 and about 2.5 percent more than the careful estimates of capacity in 1950 made by the Twentieth Century Fund. This high rate of production is not the result of a rapid rise in output per man-hour. In fact, the postwar increase in output per man-hour has been slower than was generally expected. The high level of output is the result of the large number of people at work. During the war the labor force was expanded to about 7,000,000 above normal by prewar standards. Many wartime employees have remained at work, with the result that during 1947 the labor force will average about 2,800,000 above normal by prewar standards. It will average about 1,800,000 more than the Bureau of the Census estimated it would be in 1950.

Despite the huge production of goods, demand substantially exceeds supply. The total expenditures of the country for goods and services are even running about 10 percent above the wartime peak of 1945. Best indication of the excessive demand, of course, is the rise in prices. Since the beginning of 1947, the average price of finished manufac-



tured goods has risen about 13 percent and the entire wholesale price level by about the same amount.

Does the inability of the American economy to meet the demand for goods, even with a labor force of 2,800,000 above normal, mean that the plant of American industry is too small, too old, and too inefficient? Should American industry promptly enlarge and speed up its programs for plant expansion and improvement? Or is the present demand for goods largely a temporary and inflated one—the result of needs which accumulated during the war and of abnormally large and temporary buying by the rest of the world? If industry were greatly to expand and to improve its plants now, would it soon find itself burdened with large excess capacity?

In most industries every available man and machine is working, except as lack of raw material may force shutdowns. Would an attempt by industry to step up the building of plants and machines aggravate the current shortages of houses, automobiles, and many other things which consumers are insistently demanding? Would it push up the price level still higher, and make more difficult the shift which the economy must eventually make to more normal conditions?

There can be no doubt that the plant of industry is too small for the present labor force and that much of it is old and obsolete. During the last 18 years (from 1929 to 1947) there has been very little net capital formation in American industry. It is true that large amounts have been spent on plant and equipment. Indeed, had not capital worn out, the expenditures during the thirties would have increased the plant and equipment of American industry by over 80 percent. In most of the last 18 years, however, plant and equipment were wearing out or becoming obsolete at a faster rate than they were being replaced. Furthermore, the work force was increasing, so that today about 9,000,000 more people are employed in private industry than in 1929—a rise of about 23 percent.

Of course, the capital which wore out or became obsolete was in many cases not scrapped but kept as stand-by equipment. Consequently, America has more machines and other equipment in place than it had in 1929. Otherwise, it would not today be possible for industry to give jobs to so many men. If one measures capital, however, as one should, by its unused life, American industry has about one-fifth less capital per worker today than in 1929. An expenditure of about \$50,000,000,000 would be required to raise capital per worker to the level of 1929 and a considerably larger outlay to raise capital per worker to the level which would be normal in view of the long-term tendency of capital per worker to increase at the rate of about 2 percent per year. The unsatisfactory rise in output per man-hour during the last year or two undoubtedly reflects in part the large amount of ancient and obsolete equipment which is still in place and which must be used in order to give employment to the present record-breaking labor force.

Although industry as a whole has been producing at substantially above prewar rates, some parts of industry have been unable to do so. The automobile industry is an example. Although the country now has only about the same number of cars as at the time of Pearl Harbor, and the backlog of demand is greater than ever, the automobile industry in 1947 will produce less than three-fourths as many cars as in 1929. The principal limit on the output of cars is said to be the supply of steel. Furthermore, shortage of steel is said to be limiting the output of many other industries.

Whether past earnings and present and prospective break-even points justify steel companies in risking new capital on expan-

sion is a question which the management of each steel producer must decide for itself. There can be no doubt, however, that the capacity of the steel industry is low in relation to the capacity of manufacturing as a whole, and to the durable-goods industries in particular. Between 1900 and 1930, for example, the capacity of the steel industry increased at about the same rate as industrial production—each roughly trebling. Since 1929, however, the capacity of the steel industry has increased only 25 percent and output of the steel industry about 41 percent. Industrial production in the summer of 1947 was running about 73 percent above 1929, and the output of durable manufactured goods about 61 percent above 1929.

A rise of capacity in the steel industry, however, would make possible only a limited increase in the output of industry as a whole, because a gain in steel output would quickly reveal other bottlenecks. If the automobile industry, for example, were given substantially more steel, it would soon be short of lead for batteries, copper for electrical parts, tin, and many other items. Indeed, if the steel industry were to give the automobile industry enough steel for 6,000,000 cars a year and were able to supply other steel users in proportion, the expansion of output would be retarded by shortages of railroad cars. The railroads should be thankful that shortages of steel have gone far to conceal the limited capacity of the country's transportation system.

Does the fact that the industrial plant of the country is too small for the present labor force and that much old and inefficient equipment must be used in order to give men work mean that the plant should be enlarged? Is not the present work force abnormally large and is not the present great demand for goods in large measure the result of temporary conditions?

The increase in the labor force has occurred largely in the older and younger age groups. At the present time, as during the peak of the war, nearly half of the males above 65 are in the labor force. Before the war the proportion was about 40 percent. It is safe to say that the present labor force will stay as large as it is so long as the demand for labor enables the present number of workers to find jobs. The reason is that working is popular. The 40-hour week, improvement in plant conditions, and the spread of trade unions, which protect workers from arbitrary treatment by managers, all help to increase the popularity of working.

But will the demand for labor hold up? Is not the present demand for goods abnormally large—the result in large measure of the great needs which accumulated during the war? It is true that only moderate progress has been made in satisfying the huge accumulated need for goods—in fact, in some fields, such as automobiles and housing, very limited progress has been made. It does not follow, however, that the present expenditures for goods are larger than will be maintained in the long run. The pent-up demand, huge as it is, has thus far very incompletely affected the amounts which people are spending for goods. This is shown by three facts:

1. Present prices of goods are low relative to incomes, and are still rising.

2. The present rate of saving is abnormally high, which means that less than the normal proportion of incomes is being spent for consumer goods.

3. The present rate of private domestic spending for capital goods is not abnormally large relative to present incomes, which means that the demand for capital goods by industry is not abnormally large.

Let us examine these three facts:

1. Most prices are still low relative to incomes. Prices of consumer goods on the whole have risen about 60 percent since 1940. In the same period, per capita incomes, after

taxes, have risen over 100 percent. In view of the great accumulation of needs, people would undoubtedly be willing to pay considerably higher prices in relation to their incomes than they paid in 1940. The steady rise in prices indicates that prices are too low to equate supply and demand and that the present volume of production could be sold at higher prices.

2. The present rate of saving is abnormally high. In the case of individuals, the rate of saving is about normal. In the first half of 1947 the proportion of incomes after taxes which was saved was almost 50 percent greater than in 1929—6.8 percent against 4.5 percent in 1929. The purchasing power of per capita incomes after taxes, however, was about 37 percent greater than in 1929. As incomes go up, the rate of saving tends to increase, but a rise of 37 percent in the purchasing power of incomes would scarcely be expected to produce more than a 50-percent rise in the rate of saving. Hence, the rate of saving by individuals must be regarded as about normal.

The rate of saving by business corporations, however, is far above normal. During the first half of 1947, corporations retained in the business about 64 percent of profits after taxes and disbursed about 36 percent in dividends. Dividends are usually over 60 percent of profits.

3. The present rate of private domestic spending for capital goods is not abnormally large. Private-investment spending represents the demand for capital goods by business enterprises plus expenditures of individuals on housing. During the first half of 1947, domestic investment (including expenditures for replacements) was 13.1 percent of the gross national product in comparison with 12.9 percent in 1940, 12.5 percent in 1937, and 15.2 percent in 1929. Expenditures to increase inventories were above normal and so were expenditures on industrial equipment. Expenditures on industrial plant and housing, however, were below normal.

In the long run, the volume of investment opportunities, and hence expenditures for capital goods, depends less upon the level of income than upon the rate at which technological discoveries are creating new needs for capital. Industrial research is growing by leaps and bounds. Nearly twice as many people were engaged in it in 1946 as in 1940. Between 1920 and 1940, expenditures on industrial research increased ninefold. Hence it is reasonable to expect that technological research will create investment opportunities even faster in the future than in the past and that the expenditures of industry on capital goods will be at least as large as in the first half of 1947 and probably larger.

In one important respect the present demand for goods is far above the long-run normal. That is demand by foreign countries. During the first half of 1947, the exports of goods and services by the United States was running at the rate of \$10,000,000,000 a year above imports. By September the excess of exports over imports had dropped to an annual rate of well below \$8,000,000,000, but that was still far above normal. Indeed, in the long run, the United States should endeavor to avoid any net export balance because such a balance introduces instability.

This analysis may be summed up thus: Expenditures on consumer goods are still below normal, expenditures on capital goods are fairly close to normal but probably below it, and the expenditures of foreigners in this country are abnormally high relative to the expenditures of Americans for foreign goods. All of this means that approximately the present volume of output, and possibly more, could be sold more or less indefinitely (subject to cyclical ups and downs) at present prices or better. Hence the present labor force, though large by prewar stand-



ards, seems to be needed, and the plant of industry ought to be substantially enlarged in order to raise capital per worker to the prewar level and more. In addition, huge quantities of old and inefficient equipment are badly in need of replacement.

Does it follow that business should immediately step up its expenditures on plant and equipment? It may sound like Alice-in-Wonderland economics, but the answer to that question is "No." The very fact that the plant is too small, too old, and too inefficient for the present demand for goods limits the rate at which industry can safely expand and improve its plant. Business, foreigners, and consumers are attempting to buy goods faster than industry can produce them. An attempt by business to raise its expenditures on plant and equipment would intensify the present stiff competition for goods—except as business might reduce its expenditures on inventories or cut its dividend payments to stockholders.

Incidentally, so stiff is this competition for goods that consumers and business concerns are seeking to increase their purchasing power by borrowing from banks. Personal loans and commercial, agricultural, and industrial loans have increased over one-third during the last year and are rapidly rising. The growth in consumer and business debts is stimulating to the economy today, but eventually the demand for additional credit will fall off and repayments of old debts will exceed the amount of new debts. Then paying debts will become a powerful deflationary influence. That will be "the morning after" the present inflationary spree.

Quite different would be the situation, of course, if consumers could be persuaded to reduce temporarily their purchases of automobiles, houses, television sets, radios, washing machines, and other goods and to increase the amount of money which they were willing to invest in industry. Productive capacity in the steel industry, coal industry, railroad industry, lumber industry, and other industries, which is now being used to make goods for consumers, would become available to increase the output of industrial plant and equipment.

What conclusions and policies are indicated by this analysis?

1. The plant of industry is too small and inefficient both for the present labor force and the present demand for goods and also for the prospective labor force and the prospective demand for goods.

2. Business is already attempting to improve and enlarge its plant at a rate which is too fast in view of the large demand for goods by consumers and foreigners.

3. In order to reduce the competition between business and consumers for goods, either the community needs to increase its rate of saving or business needs to reduce the rate at which it attempts to expand and improve its plant.

4. Business should assume a major part of the responsibility for controlling the present dangerous competition between business and consumers for goods by postponing expenditures of capital and equipment which do not promise a quick reduction in costs or a quick increase in production and by postponing dividend increases. The postponement of dividend increases would limit the increase in consumer purchasing power and would also diminish the necessity of enterprises' borrowing from the banks.

5. It is high time that the Government act vigorously to help control the keen competition between business and consumers for goods. Two steps should be taken. A vigorous effort should be made to increase the sales of Government savings bonds and a small forced saving levy should be added to the income tax—say 5 percent on all incomes above \$3,000 a year. The securities given in return for the forced levy should be nonnegotiable and also nonredeemable (except in certain emergencies) within 3

years. Since the levy would be a forced one, the Government should pay the savers substantially more than current artificially depressed interest rates—say 6-percent exempt from Federal income taxes.

With part of the proceeds from Government savings bonds and the forced levy, the Government would be able to pay off some of its debt held by the Federal Reserve banks, thus limiting the reserves of member banks and controlling at long last the dangerous expansion of bank credit. Some increase in private bank loans, however, would be possible because the rest of the proceeds of the bond sales and the forced levy could be used to pay off part of the public debt.

This would permit them to expand private loans, but there would be no net increase in demand deposits. The temporary reduction of incomes available for the purchase of consumer goods would enable business to increase its expenditures on plant and equipment without pushing the general price level still higher. The drop in the demand for consumer goods induced by the forced saving levy would tend to hold down the price of consumer goods so that the immediate net loss of purchasing power by consumers would be small. Consumers receiving less than \$3,000 a year would gain in purchasing power. Furthermore, the acquisition of more Government savings bonds by millions of consumers would give them future purchasing power that would help sustain the long-run demand for goods.

6. The problem of controlling the competition between business and consumers for goods will be greatly aggravated if Congress reduces the personal income tax this winter, as is likely. The income tax is undoubtedly unfairly high, particularly on persons in the middle and upper income brackets. It is difficult, for example, to justify the Government's taking more than half of any increment in income which a man may receive. The present, however, is not a good time to reduce taxes. If a reduction is made, the size of the saving levy should be increased above 5 percent. It should be sufficient to prevent reductions from raising purchasing power.

The Communists assert that capitalism is inherently unstable and that its instability will bring about its collapse. Today the community has an opportunity to demonstrate that the Communists are wrong. Let us not look back in 1950 or 1951 and wish that we had shown more foresight and more self-restraint in the fall of 1947. Now is the time to act. By limiting competition between consumers and business for goods, by checking the dangerous increase in short-term debts, and by making the process of expanding and improving the plant of industry and of aiding Europe increase the future purchasing power of consumers, the community can halt the developments which are slowly laying the foundation for a future depression and can make the economy less susceptible to recession.

#### SPECIAL ORDER

The SPEAKER pro tempore (Mr. CANFIELD). Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

#### UNITED NATIONS SESSIONS SHOULD OPEN WITH PRAYER

Mr. REES. Mr. Speaker, we will, in a few days, celebrate another Christmas, the most widely observed religious festival in the world. If Christmas means anything beneath outward forms and customs, it is the guidance of God in human life and history. So I feel prompted to address the House on a matter that deeply concerns the welfare of the world. It is the success of the United Nations.

My attention was recently called to the fact that prayer for the guidance of God does not appear on the agenda of the United Nations. We humans too often act as if we are owners of this planet instead of guests for a few years. In this connection I was interested in an editorial appearing in the Lutheran, a nationally circulated religious magazine, written by Dr. Oscar F. Blackwelder, pastor of the Lutheran Church of the Reformation in this city. Dr. Blackwelder is one of the outstanding religious leaders in this country. This editorial refers to recent correspondence between Mr. W. M. Ritter, of this city, one of the country's outstanding businessmen, with the White House and State Department. Mr. Ritter urged the placing of prayer on the agenda of the UN. I shall refer to the reply from the State Department in a moment. Mr. Ritter is on sound ground in his position.

The State Department refers to the Constitution and its philosophy of complete religious freedom. May I remind the Department and the Congress that the Constitutional Convention of our country was in session from May to September, unable to compose their differences. The majority of the delegates had returned home in despair. Patrick Henry cried out, "Plague on both your houses." He then returned to Richmond. Then Benjamin Franklin addressed George Washington, who presided over the assembly, substantially as follows: "Mr. President, it seems to me the longer we are debating the issues before us the wider and deeper we seem to be apart. I have been wondering what might be the reason for our lack of unity and I think, sir, I have found it. Not once has the voice of prayer been heard within these four walls. If the Almighty knows of every sparrow that falls and if even the very hairs of our heads are numbered, He knows all about our feeble attempts to lay the foundations of a Nation. I move, Mr. President, that a chaplain be appointed and that every succeeding session of this convention shall be opened with prayer, seeking that wisdom that cometh down from above, from the Father of lights in whom is no variableness, neither shadow of turning." The motion carried. In addition, and at the suggestion of Mr. Franklin, a service of prayer was held in Christ Church and the Holy Communion observed. Returning to Independence Hall, differences, were composed, and in a comparatively few days, the Constitution was adopted. The remainder is a matter of history.

We have all been gravely concerned with many evidences of lack of unity in the UN. Perhaps we have failed because we have not done what Benjamin Franklin proposed. And yet the following two paragraphs are contained in the letter from the State Department to Mr. Ritter, taken from the Lutheran to which I have just referred:

The advisability of suggesting that prayers be included on the agenda of such meetings has been the subject of a thoughtful and thorough study by officers of this Department. Although the matter remains under consideration, it is believed that in view of the varying religious beliefs of the different



representatives and of long-established international tradition, the United States at the present time should make no formal proposal that meetings of the United Nations be opened with prayer.

Great difficulties would arise, as I am sure you realize, in attempting to arrange for any international gathering a religious observance which would be acceptable to the many different religious faiths and philosophies of the participating delegates. In order to ensure that the representatives of international conferences have complete freedom to seek guidance in any of the ways consistent with their beliefs, the tradition has long been established that religious ceremonies are not included on the agenda. The continuation of this practice seems entirely consistent with our basic American philosophy of complete religious freedom as expressed in the Constitution, and with the United Nations Charter which emphasizes tolerance and respect for "fundamental freedoms for all without distinction as to race, sex, language, or religion."

Mr. Speaker, I am prompted to ask some questions and make several observations. This reply from the State Department reads well until you carefully analyze it. Is not the omission of prayer from the UN agenda freedom from religion rather than freedom of religion? Is not the response of the State Department only another illustration of democracy's effort to face its job apart from the religious rootage that gave it birth?

Take a look at the State Department's quotation from the UN Charter—"fundamental freedoms for all without distinction as to race, sex, language, or religion." Race is certainly respected at UN sessions. Both sexes are heard. All languages are translated. Why must the fourth freedom alone, that of religion, be silent?

Why could not all of the various viewpoints and practices of religion, represented in the UN, be given a chance to lead in prayer in their several individual ways?

A world of justice, freedom, and peace will never be built by people whose intellectual ceilings are so low that a public prayer for the guidance of God is an offense.

#### ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled, bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4469. An act to amend the act of July 7, 1947, so as to authorize the Commission on Organization of the Executive Branch of the Government to procure the temporary or intermittent services of experts or consultants or organizations thereof; and

H. R. 4627. An act to authorize an appropriation for the immediate relief of the Navajo and Hopi Indians, and for other purposes.

#### ADJOURNMENT

Mrs. BOLTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House adjourned until tomorrow, Wednesday, December 17, 1947, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

1151. Under clause 2 of rule XXIV, a letter from the Secretary of Agriculture, transmitting a draft of a proposed bill to establish two additional offices of Assistant Secretaries of Agriculture, and for other purposes, was taken from the Speaker's table and referred to the Committee on Agriculture.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TABER: Committee on Appropriations. H. R. 4748. A bill making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; without amendment (Rept. No. 1191). Referred to the Committee of the Whole House on the State of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. REEVES: Committee on the Judiciary. S. 99. An act for the relief of John T. Hollandsworth, Jr.; without amendment (Rept. No. 1165). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 258. An act for the relief of Troy Charles Davis, Jr.; without amendment (Rept. No. 1166). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 339. An act for the relief of Lucy Jefferson Well; without amendment (Rept. No. 1167). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 957. An act for the relief of Col. William J. Kennard; without amendment (Rept. No. 1168). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 1039. An act for the relief of Ada B. Foss; without amendment (Rept. No. 1169). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 1043. An act for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y.; without amendment (Rept. No. 1170). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. S. 1100. An act for the relief of Frankie Stalnaker; with an amendment (Rept. No. 1171). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 350. A bill for the relief of Caffey Robertson-Smith, Inc.; without amendment (Rept. No. 1172). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 927. A bill for the relief of the estate of Mary D. Briggs, deceased; with an amendment (Rept. No. 1173). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1169. A bill for the relief of Samuel W. Poorvu; without amendment (Rept. No. 1174). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 1286. A bill for the relief of Lawrence Reves; with an amendment (Rept.

No. 1175). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1516. A bill for the relief of A. S. Osten, certifying officer, and for the relief of Guy F. Allen, former chief disbursing officer; without amendment (Rept. No. 1176). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1653. A bill for the relief of Edward W. Bigger; with an amendment (Rept. No. 1177). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 1747. A bill for the relief of Mrs. Harry L. Novick and others; with an amendment (Rept. No. 1178). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2009. A bill for the relief of Michael Abarno; with an amendment (Rept. No. 1179). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2269. A bill for the relief of Frank A. Constable; with an amendment (Rept. No. 1180). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 2386. A bill for the relief of Oran Curry; with an amendment (Rept. No. 1181). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2479. A bill for the relief of Hardy H. Bryant; without amendment (Rept. No. 1182). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2489. A bill for the relief of James W. Adkins and Mary Clark Adkins; with an amendment (Rept. No. 1183). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on the Judiciary. H. R. 2697. A bill for the relief of E. W. Eaton Coal Co.; with an amendment (Rept. No. 1184). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 2729. A bill for the relief of the legal guardian of Rose Mary Ammirato, a minor; with an amendment (Rept. No. 1185). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3067. A bill for the relief of E. J. Brennan and Janet Howell; without amendment (Rept. No. 1186). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3159. A bill for the relief of Mrs. Mae H. Fitzgerald; with amendment (Rept. No. 1187). Referred to the Committee of the Whole House.

Mr. REEVES: Committee on the Judiciary. H. R. 3300. A bill for the relief of Martin A. King; without amendment (Rept. No. 1188). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3550. A bill for the relief of Jesse L. Purdy; without amendment (Rept. No. 1189). Referred to the Committee of the Whole House.

Mr. CRAVENS: Committee on the Judiciary. H. R. 3937. A bill for the relief of William C. Reese; without amendment (Rept. No. 1190). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 84. An act for the relief of Mrs. Clinton R. Sharp; without amendment (Rept. No. 1192). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 136. An act for the relief of Ioannis Stephanes; without amendment (Rept. No. 1193). Referred to the Committee of the Whole House.



small and large businesses throughout the country, was introduced at the luncheon meeting in the Chamber of Commerce Building by Lipscomb Davis. Joe Sills, Rotary president, presided.

"There has been for many years now a concerted and studied propaganda campaign designed to break down the people's confidence in the legislative branch of our Government," Wyatt declared. Stressing the seriousness of this movement in view of the fact that Congress is the people's special instrument of control, the speaker added, "if your confidence in it and your support of it are not destroyed, you may hold a constantly growing bureaucracy in check and keep down a constant tendency for the Federal Government to encroach upon local and State governmental functions and private prerogatives."

Stating that it is true there have been instances when legislation was counter to public interest, Wyatt said this situation, which has existed for years, takes a more sinister note when subversive forces and enemies of representative government pounce upon this means to belittle and discredit our form of Government.

Such subversive movements can be detected and corrected, the speaker said. However, a condition more difficult to diagnose is the blind faith of the people that a law in and of itself will achieve a desired result and the people's consequent abandonment of interest and support after a constructive law has been enacted.

It is in this respect that industrial statesmanship must be developed and put to work to interpret, protect and uphold the operation and respect for laws and for those elected representatives of the people who make them.

Wyatt pointed out how difficult it is for Congressmen to secure the necessary information to handle a myriad of different legislative suggestions. "Like businessmen who learn to depend upon able assistants and department heads," he said, "Congressmen need a service from business which will provide factual, objective, boiled down information on controversial issues."

"It behooves industry to rise to the measure of its responsibility to bring forth objective leadership," he concluded, "to spread the knowledge and understanding of the mutual advantages of free enterprise, to volunteer readjustments of known equalities between industry, labor and the consuming public, to cooperate with Congress either individually or by supporting organizations set up for that purpose, and, in doing all of this, to strengthen and perpetuate this great bulwark of freedom, this cherished institution of representative government, the Congress of the United States."

This is the purpose of the American Enterprise Association, Wyatt explained.

The speaker also attacked government on a basis of want and need. The wants of one era become the needs of the next \* \* \* unless our capacity to provide increases to the same degree, it is only a matter of time before we complete the cycle of folly.

## **GOP, NAM, and Inflation**

### **EXTENSION OF REMARKS**

**HON. CARL ALBERT**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. ALBERT. Mr. Speaker, the Democrats in this House have a better name

for the so-called Republican anti-inflation program, as set forth in House Joint Resolution 273. It should be called a relief bill for the members of the National Association of Manufacturers. If it passes the Congress, it will, from the very language of the bill, relieve the giant monopolies of this country from "the operation of the antitrust laws and of all other restraints, limitations, and prohibitions of law." I agree with the Attorney General's recent statement that there could be no more effective check against inflation than for Congress to increase the appropriations for the enforcement of the antitrust laws. Remove the antitrust laws, and what protection against the monopolies is left for the little man, the farmer, the laborer, the small businessman, the white-collar worker? This legislation is supposed to control inflation. Yes, it will control inflation, but it will so control it that the upward spiral will be sure to continue until Wall Street has once again attained domination over the Nation's wealth as it did in 1929.

This is said to be a bill for the voluntary control of inflation, but voluntary on the part of whom? Big business will have the power, free from the operation of the antitrust laws, to allocate materials. There will be nothing voluntary about it on the part of little business, which will be subject to the allocations made by big business whether it agrees to it or likes it or not.

The bill is no anti-inflation measure. By its very terms, agreements to control prices are not authorized. Its object is to prevent inflation; its effect is to insure the continuance of inflation to the profit of big business.

This subject is a very important one, indeed. How inflation might be controlled by legislation is a problem which should require the full and complete consideration of the Congress. Whether we should attempt to legislate in this field at all is a matter about which considerable argument has been heard through the years. It is difficult, therefore, to understand how such an important measure could be brought to the floor of the House under a gag rule with only 20 minutes of debate on each side. The Democratic Party will not be made the goat of this attempt by the Republicans to dodge their responsibility. They can make their appeal to the big-money campaign contributors if they like; we will rest our case with the American people.

## **Amending National Housing Act**

### **EXTENSION OF REMARKS**

OF

**HON. LAWRENCE H. SMITH**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, I am in favor of passage of H. R. 4675 and will vote for the bill. A critical housing shortage still exists in this country and the bill will go a long way to assist in maintaining a high volume

of new residential construction. This high volume can be maintained under the bill without supporting unnecessary or artificial costs.

In particular, Mr. Speaker, the bill will authorize the Federal Housing Administration to insure mortgages on new residential construction under title VI of a National Housing Act as amended. According to the report of the committee which is handling the bill, it appears that under title VI that the original authorization was rapidly approaching exhaustion and unless this bill is passed it would mean that the Federal Housing Administrator would be compelled to discontinue receiving additional applications for mortgage insurance.

Mr. Speaker, passage of this bill will also assist former servicemen who are trying so desperately to establish new homes for their families. If this bill does not pass, it follows that construction of new homes will be curtailed to a great extent and certainly it is incumbent upon the Congress to do all it possibly can to insure a high level of home building in this country. I am sure that there will be almost unanimous approval of this legislation.

## **Inflation**

### **EXTENSION OF REMARKS**

OF

**HON. KATHARINE ST. GEORGE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wall Street Journal of December 15, 1947:

#### **REVIEW AND OUTLOOK**

#### **ON A DANGEROUS ROAD**

The November monthly letter of the National City Bank of New York contains significant observations which are pertinent to the current discussion of remedies for inflation in the United States. We quote:

"In Sweden, the Government central bank has been maintaining a fixed support of 3 percent bonds at a time when the country's gold and foreign exchange resources were being rapidly drained away to finance large import surpluses. Thus the tendency for import surpluses to draw off excessive purchasing power has been neutralized in major part by the shift to the central bank of public debt previously held by the banks and the general public. The inflation problem remains on hand. To meet the crisis, the Swedish Government has invoked a series of direct controls, including a severe cutback in building activity, tightened limitations on imports, and seizure of all private holdings of dollars, Swiss francs, Argentine pesos, and Portuguese escudos of Swedish nationals plus certain other assets in those countries."

Thus, by keeping money cheap so that the Government might finance easily, Sweden succeeded in converting hard currency into a soft currency; the policy achieved the ridiculous result apparently of causing a flight from Swedish currency into the currency of poor little Portugal.

That is not all the Swedes achieved. Having fed the sources of inflation, they then went through the familiar resort to repres-



sive measures, such as curtailing building activity and limiting imports.

We quote further from the National City Bank's statement:

"The experience of the occupied countries suggests that when governments try to borrow money at rates too low to attract genuine savings, or to compete with alternative outlets for funds, the government bonds they sell wind up in the central bank, which pays for the bonds by issuing new notes or by giving banks credits to their reserve accounts on its books. The end result is a dressed-up version of old-fashioned printing-press inflation. In fact, the results can be worse if the doors of the central banks are held open to the 'monetization' not alone of current government deficits, but also of government securities originally taken up by the public in financing previous government deficits. It is little wonder that in so many countries respect for the money of the realm has descended to such low levels."

We hope that those who make and those who accept statements that monetary inflation has been stopped in this country because Treasury deficits have been replaced by Treasury surpluses will read the above carefully. Because when bonds issued to finance past deficits wind up in the central banks, past deficits are doing their deadly inflationary work.

And at this moment the central bank in this country is helping to maintain an artificially low interest rate on Government securities and unless it stops doing so the results will not be different than they have been elsewhere.

It is always the other fellow in some other country who is taking inflationary action. Those who are doing it in a particular place at a particular time can always tell why their policy and actions are sound and why conditions are different. But the end result is always the same.

The Federal Reserve supports the price of Government bonds, and already we have what developed in Sweden and the occupied countries, that is, the proposals to repress the results of monetary inflation by a network of sanctions and controls; the feeding of inflation at its sources and trying to repress its symptoms.

And if anyone thinks that there is not a flight from the dollar, let him listen to the testimony of one of President Truman's advisers who said quite candidly that he sent his dollars into commodities to hedge against inflation.

The remedy is clear. Only the courage to act seems lacking.

### Honor Paid Col. Milton B. Ochs Well Deserved

#### EXTENSION OF REMARKS OF

#### HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. KEFAUVER. Mr. Speaker, I believe in passing around a few bouquets to people who deserve them during their lifetime. Col. Milton B. Ochs, of Chattanooga, brother of the late Adolph S. Ochs publisher of the New York Times, has devoted a lifetime to the assistance of his friends and of worthy causes in the State of Tennessee. A list of his benefices is too long to set forth. Sufficient it is to say that Col. Milton B. Ochs through his thoughtful generosity has brought much happiness to thousands of

people and has done much to make a better place of the community in which he lives. It is very fitting, therefore, that the Kiwanis Club of Chattanooga has selected him as the man of the year. A few words about Colonel Ochs and his life were well set forth in Alfred Mynders excellent column, Next to the News, of December 10, as follows:

[From the Chattanooga Times]

NEXT TO THE NEWS

(By Alfred Mynders)

In selecting Col. Milton B. Ochs as the outstanding citizen of the year, the Kiwanis Club honors a man who has devoted his adult life to Chattanooga and its social, civic, and journalistic interests. The Kiwanis Club adds to its long list of distinguished outstanding citizens a man whose good fellowship seems to have reached its climax in his presidency of the Chattanooga Half-Century Club. He is the beloved fountainhead and guiding spirit of that unique organization.

The Half-Century Club is the outward and visible form of an inward and spiritual grace which has dominated Colonel Ochs' thoughts for many years and which has been expressed daily in his Looking Backward column on this page of the Chattanooga Times.

This writer frankly envies his infinite variety and his capacity for reflecting the golden youthful years and events in the lives of the Half-Century Club members through his Looking Backward column.

It is no secret that Colonel Ochs is past 80. Even the lovely Miss Fan, whom he married as the belle of Chattanooga is, herself, just past 80. But the amazing man writes his Looking Backward columns in longhand every day.

It would be a job of work for a newspaperman of just 30 years of age, but being a labor of love with him, he seems to like it and to thrive on it.

If he goes out of town on a trip—too often of late a sad trip to see his beloved sister, Miss Nannie, or to attend some sorrowful farewell to a friend who has not stuck it out as long as Colonel Millie—he leaves his columns in advance, all hand-written and all in order.

Daily, there are thousands who read Looking Backward and who anxiously turn to it and echo Longfellow's words:

"This is the place. Stand still, my steed,  
Let me review the scene,  
And summon from the shadowy past  
The forms that once have been."

The Kiwanis Club told his part in persuading the late great Adolph S. Ochs to build that religious gem, the Memorial Temple to Julius and Bertha Ochs out on McCallie. Adolph Ochs furnished the money and Milton Ochs furnished the time and the dreams to give Chattanooga a great Look-out Mountain Park, which will be preserved for the people.

Colonel Ochs was married on the 26th of April 1893 to the beautiful Miss Fannie Van Dyke, the daughter of the late William D. and Anna (Deadrick) Van Dyke. Three children blessed the union. The elder son is Col. William Van Dyke Ochs, of the United States Army, retired. The second son is Adolph Shelby Ochs, former general manager of the Chattanooga Times. The third child, the only daughter, is Mrs. Margaret Elizabeth Ochs Palmer.

A friend of the military cadets in his younger days, a worker for every patriotic movement here in two World Wars, a newspaperman in Philadelphia and Nashville, and a vital force in the newspaper life of this city for two generations, Colonel Ochs' daily column on this page is easily one of the best of its kind in the South. One marvels at his play of wit and sentiment, and one knows that over the coffee cups, Looking Backward

is the most widely read feature of the Chattanooga Times.

"Trade hardly deems the busy day begun,  
Till his keen eye along the sheet has run;  
The blooming daughter throws her needle by,  
And reads her schoolmate's marriage with a sigh;  
While the grave mother puts her glasses on  
And gives a tear to some old crony gone."

Its appeal is to all, for it deals in the light which glows forever in human hearts—the light of other days. That is the light never seen on land or sea, but the light which is never quenched—the light of other days.

"Oft in the stilly night,

Ere slumber's chain has bound me,  
Fond memory brings the light  
Of other days around me;  
The smiles, the tears, of boyhood's years  
The words of love then spoken;  
The eyes that shone, now dimmed and gone,  
The cheerful hearts now broken."

The Kiwanis citation says:

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### Are We Subsidizing Communism Abroad While Increasing Inflation at Home?

#### EXTENSION OF REMARKS OF

#### HON. JACK Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. ANDERSON of California. Mr. Speaker, I wish to call the attention of every Member of Congress to the following profound communication I have received from a man who has spent a lifetime studying international financial problems. The most careful consideration should be given to his observations and advice before the Congress takes action on the proposed Marshall plan or any phase of it.

Freedom and plenty abroad are not compatible with regimentation, inflation, and loss of liberty at home.

SARATOGA, CALIF., December 2, 1947.

Hon. J. Z. ANDERSON,  
House Office Building,  
Washington, D. C.

MY DEAR CONGRESSMAN: In June I wrote you calling attention to the pegged prices required by order of the stabilization fund to be observed in exchanging foreign cur-



small and large businesses throughout the country, was introduced at the luncheon meeting in the Chamber of Commerce Building by Lplscomb Davis. Joe Sills, Rotary president, presided.

"There has been for many years now a concerted and studied propaganda campaign designed to break down the people's confidence in the legislative branch of our Government," Wyatt declared. Stressing the seriousness of this movement in view of the fact that Congress is the people's special instrument of control, the speaker added, "if your confidence in it and your support of it are not destroyed, you may hold a constantly growing bureaucracy in check and keep down a constant tendency for the Federal Government to encroach upon local and State governmental functions and private prerogatives."

Stating that it is true there have been instances when legislation was counter to public interest, Wyatt said this situation, which has existed for years, takes a more sinister note when subversive forces and enemies of representative government pounce upon this means to belittle and discredit our form of Government.

Such subversive movements can be detected and corrected, the speaker said. However, a condition more difficult to diagnose is the blind faith of the people that a law in and of itself will achieve a desired result and the people's consequent abandonment of interest and support after a constructive law has been enacted.

It is in this respect that industrial statesmanship must be developed and put to work to interpret, protect and uphold the operation and respect for laws and for those elected representatives of the people who make them.

Wyatt pointed out how difficult it is for Congressmen to secure the necessary information to handle a myriad of different legislative suggestions. "Like businessmen who learn to depend upon able assistants and department heads," he said, "Congressmen need a service from business which will provide factual, objective, boiled down information on controversial issues."

"It behooves industry to rise to the measure of its responsibility to bring forth objective leadership," he concluded, "to spread the knowledge and understanding of the mutual advantages of free enterprise, to volunteer readjustments of known equalities between industry, labor and the consuming public, to cooperate with Congress either individually or by supporting organizations set up for that purpose, and, in doing all of this, to strengthen and perpetuate this great bulwark of freedom, this cherished institution of representative government, the Congress of the United States."

This is the purpose of the American Enterprise Association, Wyatt explained.

The speaker also attacked government on a basis of want and need. The wants of one era become the needs of the next \* \* \* unless our capacity to provide increases to the same degree, it is only a matter of time before we complete the cycle of folly.

### GOP, NAM, and Inflation

#### EXTENSION OF REMARKS

OF

**HON. CARL ALBERT**

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. ALBERT. Mr. Speaker, the Democrats in this House have a better name

for the so-called Republican anti-inflation program, as set forth in House Joint Resolution 273. It should be called a relief bill for the members of the National Association of Manufacturers. If it passes the Congress, it will, from the very language of the bill, relieve the giant monopolies of this country from "the operation of the antitrust laws and of all other restraints, limitations, and prohibitions of law." I agree with the Attorney General's recent statement that there could be no more effective check against inflation than for Congress to increase the appropriations for the enforcement of the antitrust laws. Remove the antitrust laws, and what protection against the monopolies is left for the little man, the farmer, the laborer, the small businessman, the white-collar worker? This legislation is supposed to control inflation. Yes, it will control inflation, but it will so control it that the upward spiral will be sure to continue until Wall Street has once again attained domination over the Nation's wealth as it did in 1929.

This is said to be a bill for the voluntary control of inflation, but voluntary on the part of whom? Big business will have the power, free from the operation of the antitrust laws, to allocate materials. There will be nothing voluntary about it on the part of little business, which will be subject to the allocations made by big business whether it agrees to it or likes it or not.

The bill is no anti-inflation measure. By its very terms, agreements to control prices are not authorized. Its object is to prevent inflation; its effect is to insure the continuance of inflation to the profit of big business.

This subject is a very important one, indeed. How inflation might be controlled by legislation is a problem which should require the full and complete consideration of the Congress. Whether we should attempt to legislate in this field at all is a matter about which considerable argument has been heard through the years. It is difficult, therefore, to understand how such an important measure could be brought to the floor of the House under a gag rule with only 20 minutes of debate on each side. The Democratic Party will not be made the goat of this attempt by the Republicans to dodge their responsibility. They can make their appeal to the big-money campaign contributors if they like; we will rest our case with the American people.

### Amending National Housing Act

#### EXTENSION OF REMARKS

OF

**HON. LAWRENCE H. SMITH**

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. SMITH of Wisconsin. Mr. Speaker, I am in favor of passage of H. R. 4675 and will vote for the bill. A critical housing shortage still exists in this country and the bill will go a long way to assist in maintaining a high volume

of new residential construction. This high volume can be maintained under the bill without supporting unnecessary or artificial costs.

In particular, Mr. Speaker, the bill will authorize the Federal Housing Administration to insure mortgages on new residential construction under title VI of a National Housing Act as amended. According to the report of the committee which is handling the bill, it appears that under title VI that the original authorization was rapidly approaching exhaustion and unless this bill is passed it would mean that the Federal Housing Administrator would be compelled to discontinue receiving additional applications for mortgage insurance.

Mr. Speaker, passage of this bill will also assist former servicemen who are trying so desperately to establish new homes for their families. If this bill does not pass, it follows that construction of new homes will be curtailed to a great extent and certainly it is incumbent upon the Congress to do all it possibly can to insure a high level of home building in this country. I am sure that there will be almost unanimous approval of this legislation.

### Inflation

#### EXTENSION OF REMARKS

OF

**HON. KATHARINE ST. GEORGE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wall Street Journal of December 15, 1947:

#### REVIEW AND OUTLOOK

##### ON A DANGEROUS ROAD

The November monthly letter of the National City Bank of New York contains significant observations which are pertinent to the current discussion of remedies for inflation in the United States. We quote:

"In Sweden, the Government central bank has been maintaining a fixed support of 3 percent bonds at a time when the country's gold and foreign exchange resources were being rapidly drained away to finance large import surpluses. Thus the tendency for import surpluses to draw off excessive purchasing power has been neutralized in major part by the shift to the central bank of public debt previously held by the banks and the general public. The inflation problem remains on hand. To meet the crisis, the Swedish Government has invoked a series of direct controls, including a severe cutback in building activity, tightened limitations on imports, and seizure of all private holdings of dollars, Swiss francs, Argentine pesos, and Portuguese escudos of Swedish nationals plus certain other assets in those countries."

Thus, by keeping money cheap so that the Government might finance easily, Sweden succeeded in converting hard currency into a soft currency; the policy achieved the ridiculous result apparently of causing a flight from Swedish currency into the currency of poor little Portugal.

That is not all the Swedes achieved. Having fed the sources of inflation, they then went through the familiar resort to repres-



sive measures, such as curtailing building activity and limiting imports.

We quote further from the National City Bank's statement:

"The experience of the occupied countries suggests that when governments try to borrow money at rates too low to attract genuine savings, or to compete with alternative outlets for funds, the government bonds they sell wind up in the central bank, which pays for the bonds by issuing new notes or by giving banks credits to their reserve accounts on its books. The end result is a dressed-up version of old-fashioned printing-press inflation. In fact, the results can be worse if the doors of the central banks are held open to the 'monetization' not alone of current government deficits, but also of government securities originally taken up by the public in financing previous government deficits. It is little wonder that in so many countries respect for the money of the realm has descended to such low levels."

We hope that those who make and those who accept statements that monetary inflation has been stopped in this country because Treasury deficits have been replaced by Treasury surpluses will read the above carefully. Because when bonds issued to finance past deficits wind up in the central banks, past deficits are doing their deadly inflationary work.

And at this moment the central bank in this country is helping to maintain an artificially low interest rate on Government securities and unless it stops doing so the results will not be different than they have been elsewhere.

It is always the other fellow in some other country who is taking inflationary action. Those who are doing it in a particular place at a particular time can always tell why their policy and actions are sound and why conditions are different. But the end result is always the same.

The Federal Reserve supports the price of Government bonds, and already we have what developed in Sweden and the occupied countries, that is, the proposals to repress the results of monetary inflation by a network of sanctions and controls; the feeding of inflation at its sources and trying to repress its symptoms.

And if anyone thinks that there is not a flight from the dollar, let him listen to the testimony of one of President Truman's advisers who said quite candidly that he sent his dollars into commodities to hedge against inflation.

The remedy is clear. Only the courage to act seems lacking.

### Honor Paid Col. Milton B. Ochs Well Deserved

#### EXTENSION OF REMARKS OF

**HON. ESTES KEFAUVER**  
OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES  
Tuesday, December 16, 1947

Mr. KEFAUVER. Mr. Speaker, I believe in passing around a few bouquets to people who deserve them during their lifetime. Col. Milton B. Ochs, of Chattanooga, brother of the late Adolph S. Ochs publisher of the New York Times, has devoted a lifetime to the assistance of his friends and of worthy causes in the State of Tennessee. A list of his beneficences is too long to set forth. Sufficient it is to say that Col. Milton B. Ochs through his thoughtful generosity has brought much happiness to thousands of

people and has done much to make a better place of the community in which he lives. It is very fitting, therefore, that the Kiwanis Club of Chattanooga has selected him as the man of the year. A few words about Colonel Ochs and his life were well set forth in Alfred Mynders excellent column, Next to the News, of December 10, as follows:

[From the Chattanooga Times]

NEXT TO THE NEWS

(By Alfred Mynders)

In selecting Col. Milton B. Ochs as the outstanding citizen of the year, the Kiwanis Club honors a man who has devoted his adult life to Chattanooga and its social, civic, and journalistic interests. The Kiwanis Club adds to its long list of distinguished outstanding citizens a man whose good fellowship seems to have reached its climax in his presidency of the Chattanooga Half-Century Club. He is the beloved fountainhead and guiding spirit of that unique organization.

The Half-Century Club is the outward and visible form of an inward and spiritual grace which has dominated Colonel Ochs' thoughts for many years and which has been expressed daily in his Looking Backward column on this page of the Chattanooga Times.

This writer frankly envies his infinite variety and his capacity for reflecting the golden youthful years and events in the lives of the Half-Century Club members through his Looking Backward column.

It is no secret that Colonel Ochs is past 80. Even the lovely Miss Fan, whom he married as the belle of Chattanooga is, herself, just past 80. But the amazing man writes his Looking Backward columns in longhand every day.

It would be a job of work for a newspaperman of just 30 years of age, but being a labor of love with him, he seems to like it and to thrive on it.

If he goes out of town on a trip—too often of late a sad trip to see his beloved sister, Miss Nannie, or to attend some sorrowful farewell to a friend who has not stuck it out as long as Colonel Millie—he leaves his columns in advance, all hand-written and all in order.

Daily, there are thousands who read Looking Backward and who anxiously turn to it and echo Longfellow's words:

"This is the place. Stand still, my steed,  
Let me review the scene,  
And summon from the shadowy past  
The forms that once have been."

The Kiwanis Club told his part in persuading the late great Adolph S. Ochs to build that religious gem, the Memorial Temple to Julius and Bertha Ochs out on McCallie. Adolph Ochs furnished the money and Milton Ochs furnished the time and the dreams to give Chattanooga a great Look-out Mountain Park, which will be preserved for the people.

Colonel Ochs was married on the 26th of April 1893 to the beautiful Miss Fannie Van Dyke, the daughter of the late William D. and Anna (Deadrick) Van Dyke. Three children blessed the union. The elder son is Col. William Van Dyke Ochs, of the United States Army, retired. The second son is Adolph Shelby Ochs, former general manager of the Chattanooga Times. The third child, the only daughter, is Mrs. Margaret Elizabeth Ochs Palmer.

A friend of the military cadets in his younger days, a worker for every patriotic movement here in two World Wars, a newspaperman in Philadelphia and Nashville, and a vital force in the newspaper life of this city for two generations, Colonel Ochs' daily column on this page is easily one of the best of its kind in the South. One marvels at his play of wit and sentiment, and one knows that over the coffee cups, Looking Backward

is the most widely read feature of the Chattanooga Times.

"Trade hardly deems the busy day begun  
Till his keen eye along the sheet has run;  
The blooming daughter throws her needle  
by,  
And reads her schoolmate's marriage with  
a sigh;

While the grave mother puts her glasses on  
And gives a tear to some old crony gone."

Its appeal is to all, for it deals in the light which glows forever in human hearts—the light of other days. That is the light never seen on land or sea, but the light which is never quenched—the light of other days.

"Oft in the stilly night,

Ere slumber's chain has bound me,  
Fond memory brings the light  
Of other days around me;

The smiles, the tears, of boyhood's years  
The words of love then spoken;  
The eyes that shone, now dimmed and gone,  
The cheerful hearts now broken."

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SARATOGA, CALIF., December 2, 1947.

Hon. J. Z. ANDERSON,

House Office Building,

Washington, D. C.

MY DEAR CONGRESSMAN: In June I wrote you calling attention to the pegged prices required by order of the stabilization fund to be observed in exchanging foreign cur-



rencies into United States dollars, an order entered upon demand of the governments of western Europe. I used the pegged price of the French franc as illustrating the insuperable barrier interposed by these pegged prices against export of French merchandise to the United States. My purpose was to make it clear that by thus preventing exports to the United States the French Government had, by its own act, created a shortage of dollars in France and could relieve it by raising the barrier. A new spending project calling for advances unrelated to food to western European governments, including that of France, is now before Congress. In its support it is urged that these countries are suffering from economic ills caused by events beyond their control; that they must have dollars which are unobtainable through their own exertions or they will "collapse". It is in respect to this new spending project that I am writing. What I am about to point out is this:

That the principal countries of western Europe are in economic chains of their own forging and the major economic ills from which they suffer are the natural and inevitable consequence of these self-imposed shackles.

That they cannot recover until freed, and their freedom is to be had only through drastic political and economic reforms.

That these reforms present political difficulties of great magnitude and must come from within and not from without.

That sound and stable money must be provided and honestly maintained within these countries. That production and trade must be freed from an intolerable control the purpose of which is to force persons having things to sell, or services to render to accept in payment a debauched paper money at whatever values bureaus decree—decrees the people decline to obey since they know them to be founded upon false pretense.

That they must reduce expenditures to the level of revenues, a process which requires the cessation of subsidies and gratuities; the denial of handouts to powerful pressure groups; the abolition of the 4-day week with reduction of salaries and wages to the fair level of production.

That they must purge the public pay rolls of hosts of unnecessary clerks and useless functionaries.

In short, that governments must return to those policies of fiscal sobriety and common honesty essential to normal life in an orderly society. Money must cease to be common harlot to political expediency and return to its true position as an honest and respected servant of the people. No Member of Congress need be told that as things now stand in many of the countries, such reforms present near insuperable political difficulties. Held prisoner by interests now well vested, the natural fruit of their own follies, these governments will encounter fierce resistance in respect to every necessary reform. Success will be possible only under indomitable leadership, and then only when conditions are ripe: Under such circumstances, subsidization will not be required. If governments are weak and conditions not ripe, subsidization will be worse than useless, since it will perpetuate the evils. This is because subsidies granted those in power will strengthen their hold upon office, and thus assure continuation of existing practices. Request for \$3,000,000,000 to be expended in efforts to maintain pegged prices for debased paper moneys of itself betrays lack of courageous purpose and intent upon the part of those concurring in the request.

Both reason and experience sustain each of the conclusions just expressed. But in their support I propose to summon not only reason and experience but painful circumstance as well, the first circumstance being that \$20,000,000,000 already have been appropriated by Congress and spent by bureaus

for world rehabilitation since the surrender of Japan with as little permanent good as \$20,000,000,000 spent for wheat to be broadcast upon a desert as an agricultural experiment.

## II

That there may be no misunderstanding of my position, let me make it clear that I offer no objection to the gratuitous provision of food and all other necessities to the conquered peoples and those residing in occupied areas. Since we hold them in military custody and deny them freedom of action, we must provide for them or confess ourselves no better than those keepers of starvation camps we have hanged. Neither do I offer objection to the gratuitous provision of food and clothing within the liberated areas where it is proven that the country itself cannot make provision for its own needy, and where its distribution to those for whom it is intended is adequately assured. I make this qualification since it is my understanding that foods heretofore sent abroad gratuitously have not been supplied gratuitously to the needy but, on the contrary, have been sold by those in power, and the money used as the government saw fit. Neither do I oppose combatting the spread of totalitarian communism by methods likely to prove effective.

It is because the present project goes far beyond feeding and clothing needy persons and contemplates immense gratuities to existing foreign governments for expenditure in such manner as they choose that I am troubling myself to write this letter and you to receive it, for I do not believe that such gratuities under present conditions will either bring prosperity to the people of those countries or serve to combat the spread of communism.

## III

Those who advocate this new spending project, despite the failure of those which have preceded it, say that the way to prevent the spread of communism throughout western Europe is to make the people of that area prosperous and hence contented; that the people of the states they propose to aid are not prosperous—at least, not as prosperous they would like to be—and cannot become so through their own exertions. It is for this reason that they propose to aid them. The aid they suggest is twenty-odd billions in American money to be secured through the imposition or continuation of extraordinary taxes on the people of the United States, this money to be transferred as subsidies to foreign treasuries. Upon receipt the money is to be used by the recipient governments in such ways as they deem proper to make their people prosperous. Even in a mad world, Congressman, it is difficult to soberly accept the doctrine of subsidizing governments which on their profligate record stand as proven purveyors of poverty and destroyers of plenty.

Since France is the largest and most important of the states proposed to be aided by gratuitous capital grants, I propose to consider this plan in respect to that country.

The French people are strong and capable. They possess great wealth both at home and abroad and invaluable natural resources. There are many wealthy individuals and families. I shall refer to these in greater detail before I have finished. Throughout a long history the French have demonstrated industrial genius as well as great military valor and aggressiveness. By force of arms they have conquered and now hold peoples and lands in subjection both in Asia and Africa. Since the year 1800, a period of less than a century and a half, which is less than the lives of two 75-year-old men running consecutively, their armies have more than once overrun all of Europe. So complete was this conquest that throughout that Continent they were enabled to place French kings of their own selection upon forcibly vacated foreign thrones. In turn, within that pe-

riod, France herself has been overrun. Heretofore French recoveries both from defeat in wars and from internal revolution have been remarkable. The country is self-sustaining because of its naturally fertile and highly productive lands, and as a farmer the French peasant has no superior. He is industrious, frugal, and intelligent. He cherishes the land and spares no effort to maintain its fertility.

As compared to other war-torn countries, the physical destruction in France was relatively little, and agriculture continued with slight interruption throughout the occupation. Nearly 3 years have passed since the liberation and the return of the French prisoners of war to their occupations. In addition to domestic production and that of her overseas colonies, France, since the war's end, has had several billions of American production in exchange for which she has parted with nothing. Yet despite the exertions of the French people, supplemented by princely gifts from abroad, their Government has felt compelled to reduce their bread ration to a level below the lowest received during the German occupation, and, admitting no malfeasance in its own administration, appears as suppliant for free gifts from abroad.

## IV

In my letter to you of June 28, to which I have already referred, I pointed out how invalid is the claim of the French Government that it has made a genuine effort to obtain American dollars through its own exertions, that it by honest reciprocal trade between Americans and Frenchmen. But a moment's examination of its conduct is required to demonstrate that by deliberate act in establishing a grossly overstated pegged price for the franc through the mechanism of the Stabilization Fund, it has so heavily penalized American travelers and merchants as to make substantial sales of French merchandise and services to Americans impossible. The facts speak for themselves and require no elaboration. By a coldly calculated expedient, whatever its purpose, the French Government has created its own shortage of the dollars of which it claims to be in need, and it is not an unfair deduction that the French Government proposes to part with French merchandise in exchange for American dollars only when hope vanishes of obtaining them for nothing. I say this because it is impossible to suppose that a government seriously desiring export business for its people would enact an insuperable barrier against it. But a government which believes that course of conduct to offer possibility of obtaining dollars without consideration would most certainly do so. The effort itself affords a melancholy commentary upon the French estimate of American intelligence.

## V

In the period following the liberation the French Government, according to its statistical reports, has issued more newly printed francs in payment of treasury deficits than did the Vichy government during the occupation. By this flagrant abuse of the sovereign power to issue money French politicians in office have made pretense of giving the people something for nothing. Its deficits represented subsidies of every conceivable sort; outrageously built up pay rolls; free services and wasteful extravagances including increased pay for a 4-day week. But in truth the miracle of providing the people with something for nothing consisted of nothing more than the shabby and ill-concealed robbery of every man, woman, and child in France who owned paper francs or obligations payable in francs, as well as all pensioners and annuitants and all wage and salary earners who lost steadily because of the lag between ascending prices and pay readjustments. Rationing and price exchange controls were resorted to in the hope of concealing the declining purchasing



power of the franc. With these controls came scarcity, their inseparable companion. These measures, senseless since they sought to defeat the protective forces of human nature itself, deceived no intelligent Frenchman and should deceive no intelligent American. They seriously aggravated a situation already becoming unendurable. They have driven free markets underground and forced trade from the hands of established tax-paying merchants into the hands of free-booters who dare not declare their unlawful gains to the tax collector even if so disposed. In this manner they have both dried up the revenues of the state and converted normal plenty into abnormal scarcity.

There are few among the French people who do not understand paper money inflation and none understands it more clearly than the French peasant. His understanding is born of experience and family tradition. He will not willingly submit to being victimized through an oft repeated deception. It is for this reason that he hoards gold coins, both of French and foreign minting, even restoring to the purchase of thin cuttings from gold bars to be added to his hoard. He also acquires such foreign currencies as he deems stable, and it is well known that a great portion of the United States currency spent in France by our armies found its way into French hoards where it still remains. It is because of his understanding of what has been and is daily being done to debase the franc that the French peasant withholds his produce from the price-controlled markets and secretly disposes of it upon the underground free market where the true value of the franc is recognized. A realist from experience and hard circumstance, he declines acceptance of the doctrine that false pretense becomes truth at the will of the lawmaker or bureaucrat, and that by legal enactment and printed inscription paper can be given whatever value government decrees.

But the hoarding in France is not confined to peasants. Obeying the most natural of all protective instincts, people of every class seek to save themselves from loss or impoverishment. Thus they quietly convert francs into things of permanent value and find ways to secretly get their money and valuables out of France and into other countries. The drain of French-owned capital from France through such measures has been enormous. A vast amount of this French-owned capital is known to be invested in American securities deposited by French owners in American strongboxes. It is this French capital driven into hiding because of the notorious delinquencies of its own Government that is to be replaced through taxation of Americans, if Congress gives consent.

Yet all human experience proves that when the French Government again establishes and maintains an honest medium of exchange and discontinues price controls and rationing, food will return in abundance to the free markets of the cities, as it has many times in the past. Expatriated capital will come home, gold will be returned to the banks, commerce and industry will revive, and the national revenues will be restored. Americans should understand this. Did not meat and butter disappear from our own controlled markets, reappear when controls were lifted, and disappear again when controls were reimposed, only to promptly reappear when freedom was restored? Only persons of short memory can fail to recall this.

## VI

Public distress in France because of the steadily falling value of the franc has now reached the stage where a resolute Government might hope for success in drastic fiscal and monetary reform. All law-abiding persons in France and all who must work for wages or salaries or subsist upon income payable in francs are victims of a destroying

force from which they are frantically seeking escape. The Communist leadership understand this far better than do those Americans of little understanding who suppose the situation controllable by gifts to the French Government or some additional food for sale to the French people. The Communists propose the overthrow of a Government which has failed to provide either honest government or an honest media of exchange. Under the leadership of Moscow, both intelligent and conscienceless, they have made headway, a fact which should astonish no one. A people fleeing from a great evil may readily fail to discern the greater evil toward which they are being directed.

In reply to those who in their desperation have aligned themselves under the leadership of the Communists, the Government has announced its purpose to print and distribute additional francs. This is perhaps its only feasible recourse at the moment. But this temporary palliative must be followed forthwith by the essential and drastic operation, or nothing permanent will have been accomplished. Should subsidization from abroad result in postponement of this operation, it will have worked evil and not good.

It must be borne in mind that monetary inflation is of political origin though its manifestations appear in the realm of economics. It finds its source and its continuation in political expediency. Its purpose is to enable those in power to increase public expenditure without a corresponding increase in taxation. As example, by the printing and expenditure of additional paper money or credits convertible into money, appearance is given of something being obtained for the people for nothing. So it is that by the mass of the people in its early stages monetary inflation is deemed Santa Claus, and, since in the homely vernacular of a great American, "Nobody is going to shoot Santa Claus," protests of those who understand the ultimate effect go unheeded. The people accept appearance for reality and vote to support those they deem to be their benefactors. Not until it is learned by the mass of the people through painful experience that behind the benevolent mask of Santa Claus hides the cruel countenance of an ogre which from the beginning has created nothing, but on the contrary has secretly taken cruelly and ruthlessly, is there political hope of bringing monetary inflation to an end. Once started, as long as there is political gain in its continuance, the practice will be continued; only when its continuance has come to mean political loss will it be discontinued.

If freedom survives the present crises, there is but one serious possibility of long postponement of remedial action in France. That possibility lies in unwise American interference by subsidizing the French Government. By supplying the French politician in office with the means with which to continue his subsidies, his extravagancies, and services with neither increased taxation nor the printing of additional francs, it is within our power to prolong the French economic malady, even to the exhaustion of our own available resources. But in essence the operation will consist of nothing more than the temporary expedient of importing to our shores and unjustly inflicting upon our own people a portion of the misery brought upon the French people through the maladministration of their own government. And in the end, when our own exhaustion compels cessation of our intervention, every responsible American official and every lawmaker and publicist party to the process will be detested for it both a home and abroad; at home for starting and continuing the practice, abroad because of its discontinuance. And, Congressman, should any of your constituents inquire as to the probable duration of economic distress in France, and you may be sure many of them are wondering,

you may with perfect safety reply that the duration will at least be coextensive with continuation of the practice of shipping American wealth to France in attempts to shore up a rotting franc; a franc rotting not because of exhaustion of French resources, but because French politicians in office decline to be honest.

## VII

There is ample support of a current factual nature for the conclusions just expressed. It is to be found almost daily in press reports from France indicating the declining value of the franc under pressure of new issues and the discontent of the people because of it. It is to be found in speeches by French Cabinet members; in strikes and demands for increased wages; in the withholding of agricultural produce from the price-controlled markets of the cities, though there is no evidence of scarcity in the country. Of equal significance are reports from returned American travelers. The correspondent, Marquis Childs, has recently reported from Paris that expensive Parisian restaurants are daily filled with French diners, while the French Riviera, the expensive gambling and resort center has just closed its most profitable year. Others have made similar reports.

Dr. Heiser, the distinguished American physician and author who gave a lifetime to the service of humanity through the Rockefeller Foundation, has just returned from a 3 months' motor trip through France and Italy. He speaks both languages and talked freely with the people of the country and cities. This competent man declared upon landing in New York that he found no evidence of serious lack of food in either country and that the shops of Florence in Italy where there is no meat rationing carried more steaks and chops on display than he observed in similar New York markets.

The distinguished San Francisco weekly, the Argonaut, of October 24, contains a letter from John Gallois, a prominent San Franciscan. It was written at sea to the editor by Mr. Gallois who was returning from a 4 months' tour of Sweden, Belgium, Holland, France, and a small part of Germany. In this letter he says, "These Europeans are not suffering, although they appear broke. Never, even in the heydays of the late twenties have I seen such spending, luxury, gambling, and so forth as in France and Belgium. It's not like the old days when the Americans, British, and Russians were the great spenders in Europe. Now it's the local people. What these people now need is to get down to work and forget about our helping them. The countries and people look healthy and prosperous, and unless the 16 nations now assembled in Paris can form a sort of perpetual United States of western nations which would forget their dollar demands without productive planning, I would let them paddle their own canoe. \* \* \* If France wants to get out of her mess, she must revise her ways of living and abandon the habits of luxury she has acquired in the years since the liberation. The exhibition of indecent riches I saw in French summer resorts has certainly not given tourists the impression she needs financial help. You cannot ask for help and live as well as before the war. \* \* \* At present France offers a strange picture. Her industrial production is equal to 1938 but she lacks essential manufactured commodities. Her agricultural output equals 1938, yet she goes begging for wheat and meat. The cause is hoarding for black-market prices. Her cities go short of food and the countryside eats as never before." Many other interested travelers have reported similar observations. None of the indecent display of wealth and luxury on the part of Frenchmen, described above, has escaped the eyes of the helpless middle and wage-earning classes of France, desperately struggling against the declining value of their francs. Their bitterness and resent-



ment are manifested in the strikes and disorders now being experienced. This resentment will continue until conditions are changed, and change will come only with removal of the causes.

## VIII

Proof of the cause of scarcity in the French cities and of the rapidly declining value of the franc is to be found in the Government's financial reports. In January of this year there were published in the *Commercial and Financial Chronicle*, of New York, a study of the French situation by a competent economist, Egon Kaskeline. The figures which follow are taken from that study. I have seen none of them questioned and have no reason to doubt their authenticity. The French national debt is \$453 per capita as compared with a per capita debt in the United States of \$1,185, and in Great Britain of \$2,152. In December 1946 the controlled price level in France, as a consequence of the paper money in inflation, had reached 800 percent of the 1938 level. It is now much higher and moving upward steadily. Upon the free or black markets which were then doing over one-third of all French business, the price levels had reached 1,600 percent of the 1938 levels. The franc, officially valued at the pegged price of 119-plus per the United States dollar by the International Stabilization Fund, was selling at 350 per United States dollar. It was estimated by M. Phillip, the new Minister of Finance, in his December address to the assembly that the tax frauds of the year 1946 ran as high as 150,000,000,000 francs. One hundred and fifty billion francs, Congressman, at the pegged rate of exchange is \$1,250,000,000. The total deficit of the French Government for the year 1946 was reported as 415,000,000,000 francs of which two hundred and three billion came from losses in the nationalized railways and industries. This deficit was met by the issuance of newly created paper francs. The deficit for 1947 was estimated at 500,000,000,000 francs to be met in the same manner.

The foregoing are shocking figures but those which follow must appall every Congressman who is giving serious consideration to the question of voting taxes against his own constituents on behalf of a French Government which openly declines to do its duty. Taxes collected in France represent but 22.7 percent of French income as against nearly double that percent in the United States and 40 percent in Great Britain, while from the estimated annual 400,000,000,000 francs worth of agricultural production, but 2,000,000,000 francs (one-half of 1 percent) are taken in taxes. It is in the face of these figures that it is gravely proposed that additional taxes be laid upon all Americans, rich and poor, farmer and factory worker, to support the Government of France.

The French Government's reported income for the fiscal year ending in 1946 was 373,000,000,000 francs. This equals \$3,130,000,000. The division of this by 40,000,000, the estimated population of France, gives \$78 as the per capita tax burden imposed upon its people by the French Government in the fiscal year ending in 1946. Now subject to the same calculation the \$40,000,000,000 tax collection of the Federal Government of the United States from the American people. In a word, divide 40,000,000,000 by 140,000,000, the population of the United States. This calculation discloses that the tax collection from the American people by the Federal Government alone during the year 1946 was \$285 per capita, nearly three times that collected by the French Government from its people.

It is not for taxing lightly that the French Government is to be condemned. It is for taxing lightly while spending heavily and meeting the deficits by the printing of paper francs. For this it is inevitable that it will soon be called to account by the French

people. That is, Congressman, the French Government will very soon be called to account by the French people unless you and your colleagues can be persuaded to tax your own constituents to make good its deficits.

## IX

If the Congress of the United States is to become tax collector extraordinary for the bankrupt governments of Europe and the American citizen taxpayer extraordinary on behalf of those governments, it is well that Congressmen visit those countries on whose behalf they propose to enact tax measures. But one day spent in examination of French books readily available in translation will afford great enlightenment both to those legislators who travel abroad in search of information and those who remain at home. For French scholars, with the industry and meticulous care characteristic of their race, have assembled and analyzed the records pertaining to the great French paper-money inflations of the past, even to the daily police reports respecting the feelings and conduct of the people.

In these studies one is enabled to observe, as in a mirror, precisely the conditions to be observed in France today. The disappearance of food from the price-controlled and policed markets of the cities; food in plenty in the country; black markets flourishing; expensive restaurants and gambling resorts filled to overflowing; speculation rampant and discontent and unhappiness everywhere; an overstaffed and wasteful Government unceasingly pouring newly printed paper francs into the country's circulation while harassed and impotent officials struggle to force the people to accept the printings of the Government at such values as bureaucrats prescribe, the people declining to do so. History is repeating itself in France. The French people, knowing their own history, and understanding the ways of the French politician, far better than do Americans, are resisting and rejecting a great imposture. There are, of course, persons in France, as in the United States, who lay the blame for stagnation of trade in price-controlled markets, the scarcity of food in the cities, and the steady increase of prices, upon the demands of labor and salaried persons for increased pay; others lay the blame upon merchants, others upon bankers, and still others upon industrialists and farmers. These charges are as false as they are unjust. The blame lies with none of these but upon those Frenchmen who jointly constitute the French Government. By their dishonest fiscal practices they have destroyed an essential factor in French civilization, the lawful medium of exchange of France, while the struggle of labor, of salaried persons, of merchants, of farmers, and industrialists for additional francs is but the natural struggle to survive. In it is exhibited the protective instinct of the individual to safeguard himself and his family, and nothing more. The issue of economic recovery in France lies between the French people as a whole and the French politician, and there it must be decided. Our intervention can prolong the struggle and the agony and import a portion of it to our own country. But it cannot determine its final outcome.

## X

I have used France as example, but in one respect the case of England is more illuminating. When I wrote you 18 months ago expressing opposition to the British loan in the form then advocated, I stated that I opposed it not because of antagonism toward the British people but because upon objective reasoning I believed the loan would prove harmful both to the British and to ourselves. I stated that reason led to no other conclusion than that it would impair Anglo-American friendship since the conditions attached to the loan could not be met and therefore should not be imposed. I also stated that the adverse effects of so great a drain on American

resources, the total of \$20,000,000,000 then under consideration for foreign grants being, interestingly enough, the same as at present, could not be postponed but would promptly manifest themselves. Little time has been required to vindicate the accuracy of these conclusions. As an alternate to the blanket loan as planned, I suggested a careful examination of the fiscal affairs of Great Britain and that approach to its financial problems dictated by all experience. But it soon became apparent that the great mass of the American people, moved by humane instincts and high purpose, was being won by a skillful campaign of official propaganda to accept the representations inscribed upon the bottle with no real knowledge of its contents. Congress thereupon succumbed to the pressure of the administration. It was but a repetition of similar administration successes. The result was but a repetition of past failures. Events have moved swiftly in America. The people have demonstrated that they like neither the scarcity and the advancing inflation they are experiencing at home nor the news they receive from abroad. They have learned that fine phrases and lofty declarations of purpose are poor substitute for objective reasoning, and that an economic untruth does not become truth because advanced in support of a cause deemed worthy.

## XI

We now know in enlightening detail what happened to the British loan. To make use of an ancient expression it went for corn and games for the British populace, for food and clothing subsidies, for tobacco, for Hollywood films, for doles, for losses incurred in nationalized industry with that increased pay for decreased production which makes for political popularity and national bankruptcy. By indirection through the subsidies it went for unprecedented welfare programs and the pay of new heavily staffed bureaus to control the mechanisms of the new order.

Bewildered Americans express astonishment that by-elections in Great Britain in regular succession have sustained the Socialist Government, a seeming anomaly if things in Britain are as bad as reported. There need be no astonishment. During the past year the pay of British labor in shillings has been higher than ever before, and the cost of food and clothing relatively less because of prodigious Government subsidies made possible by the American loan. As a consequence of this and of the little left to buy because of the export program of his Government, the British wage earner has a surplus of shillings in his pocket. It is for this reason that absenteeism has reached proportions hitherto unknown and the increased attendance at horse racing, dog racing, professional football matches, and all other forms of public and private gambling have become a national scandal. The churches gambling committee has just reported that receipts on greyhound racing tracks in England, Scotland, and Wales last year were \$796,000,000; that bookmakers' takings are estimated at slightly more, bringing the total expenditure at greyhound racing tracks over \$1,600,000,000. And who, Congressman, one may ask, paid for the colossal food and clothing subsidies, for the tobacco, for the Hollywood films, for the absenteeism, for decreased work with increased pay? The answer is not difficult. It was paid for in substantial part by Americans under compulsion of an act of Congress. It was paid for out of the loan which, confidently supposed by well-meaning Americans to last 4 years and assure the rehabilitation of British industry, was dissipated in living expenses and amusements in 1 and served no real purpose except to enable the Socialist government to keep itself in power.

Is it great wonder that so many Americans now meeting this bill through taxes and higher prices witness with grave concern the efforts of elements within the administration



to exact from them under force of law additional contributions to so little purpose?

## XII

That which objective reasoning made clear has been proven by events. From every part of the world into which American money has been poured the story is the same. The four and a quarter billions received by the Government of Great Britain from the Treasury of the United States has all but disappeared in a year, and with what result—increased austerity for the British people and no abatement in the economic distress of their country. Billions to the Government of France, and with what result?—conditions more critical than before, and a decrease in the bread ration of France to levels below that of the German occupation. Billions to Russia and her satellite states and the measure of their gratitude is the murder of innocent young Americans and the denunciatory charge that we are imperialists, war mongers, and enemies of mankind. Billions for the liberation and rehabilitation of China and our Government dares not publish the report of its official observer, so gruesome are the details of corruption and malfeasance; hundreds of millions for Greece, and the dispatches of yesterday disclose the discovery of \$75,000,000 in supplies abstracted and hidden in the interest of Greek individuals.

Among all who have accepted our benefactions, which since the surrender of Japan have aggregated the great sum of \$20,000,000,000, few are to be found who believe our motives to be other than those of calculated self-interest. Nor are they entirely without justification for this belief, since each successive overseas-spending project has, like the present, been represented by its promoters as demanded in our own national interest.

In every city, village, and hamlet in America people are crying out against scarcity and high prices. The oppression is real and not fancied. There is scarcity and prices are high. One has but to pass through the food markets and observe the anxious faces of poorly dressed women to gain first-hand knowledge of what this condition means to many. Even the President coupled to his demand for these new gratuities abroad a demand for action against scarcity and high prices at home. It is a demand for relief from the very ill he proposes to inflict. It is a demand that one be subtracted from five and the result be six.

To contend that these proposed shipments of billions of American resources and production abroad do not inflict definite shortages and consequent higher prices at home is to indulge in meaningless abstraction. To say that it is the American wheat eaten by Americans and not the American wheat eaten by Europeans that makes prices high; that it is the American steel consumed by Americans and not the American steel consumed by foreigners that makes steel scarce, are distortions of reason into nonsense. In appraising the working of an entire economy earmarking of portions in the manner indicated is impossible. But it is indisputable that for every million bushels of wheat and every million tons of steel sent abroad there is an equivalent decrease in supply upon the home market. It is also indisputable that the addition of dollars and convertible credits to our already overexpanded circulation sharply increases demand upon those markets.

## XIII

There are persons who say that the United States can well afford to send an additional \$20,000,000,000 worth of its resources and production abroad with nothing to be received in return, and should make provision to do so not only without delay but apparently without study insofar as Congress is concerned. In lieu of independent congressional study, they demand that Congress act

upon the recommendation and report of committees, composed of lay individuals, selected by the Executive to instruct Congress respecting its duty. These committees have presumed to ascertain what "the economy of the Nation" can afford. I propose to point out the callous falsity of the concept underlying these studies of what "the economy of the Nation" can afford: a concept bearing no greater relationship to reality than the doctrine that the Government's debt is meaningless because "we owe it to ourselves."

The Government of the United States, the proposed bestower of these foreign grants, does not own the wealth of the Nation. The purchasable and exportable wealth of the Nation is owned by individuals and corporations, and in varying proportional shares. The income of the Nation is also received by individuals and corporations in varying proportional shares. Whatever goes abroad pursuant to these spending projects must be purchased, paid for, and withdrawn from the supplies otherwise available for purchase by individual Americans. The impact upon individuals will vary with their income and their necessities. Every item must be secured in the markets in competitive bidding against American citizens, few of whom are rich, the vast majority of whom are at best in no more than moderate circumstances, and many of whom are desperately poor. I beg of you to mark carefully the contrast between these two classes of purchasers in the American market, the individual American who is compelled day by day to earn his own, often meager, supply of dollars, and the foreign government which is supplied with dollars gratuitously. And having carefully marked this contrast consider the handicap under which the American purchaser labors since he must not only earn his own dollars but provide the dollars spent by the foreign government as well. Slight analysis of the facts is required to demonstrate the falsity of that singular concept which presumes to determine a question so vital to individuals upon an examination of what "the economy of the nation" can stand. The question is not what "the economy of the nation" can stand. The question is what that tangible flesh and blood creature already desperately struggling to make both ends meet, the average American, can stand. It is upon his back that Congress is asked to strap this load and it is with him that Congressmen and the political parties to which they belong must reckon in the end.

I have in mind, Congressman, the average people of the United States, the men and women, old and young, of small or moderate income who with mounting anxiety are struggling day by day not only against the present unparalleled rates of taxation which add heavily to the price of everything they buy but against the grinding burden of the national debt as well, a burden applied through the gross inflation of our circulating media. Among these men and women are to be found the best the country has, all salaried workers, all teachers, the clergy, all civil servants, all labor which suffers loss because of the lag between increasing prices and increased wages, the five million families recently declared by Government to be without present possibility of procuring homes of their own because of high costs and scarcity of materials. There are also those whose life savings, once sufficient for their support, are no longer adequate because of advancing prices.

It is true that there are poor persons in Europe and persons paralleling in circumstance those I have described. It is no less true that there are rich persons in Europe and great resources available to those Europeans willing to work as Americans work. There is poverty and destitution in Asia of an appalling character, and until the nature of man changes there will be poverty and destitution throughout the world as there always has been. But the cure does not lie

in seizing that produced by the provident and industrious and giving it to the improvident and those who decline to work. Through that process all will assuredly be reduced to a common level of indolence and destitution.

## XIV

A lawful medium of exchange in the continuing value of which the competent persons of a modern society repose confidence is as indispensable to production, distribution, and trade as tools are to the erection of buildings. Without such a medium a civilized society in the modern sense cannot exist since its existence requires a steady accumulation of liquid as well as of permanent capital, and contemplates a broad diversification of production with a continuing exchange of the things produced. When confidence in its established medium of exchange is lost or seriously impaired, every phase of the economic life of such a society sickens. It is a sickness for which there is no cure except in removal of the cause. France is suffering from this sickness in an acute stage. Great Britain suffers from it as well but in a lesser degree. Nevertheless her illness is aggravated by practices already pointed out. In both countries production and commerce are stifled with those controls never absent when money, forced to forsake its true function of handmaiden to commerce, becomes harlot to politicians. The purpose of such controls is neither to stimulate production nor facilitate distribution. The purpose is to force trade to accept debauched currencies at prices fixed by political bureaus. They constitute an attempt by government to enforce expropriations designed to serve the political interests of men in office.

To subsidize a government is to subsidize the men who constitute it and their policies. Demonstration of this is plain in the case of the British loan, which is now clearly seen to have constituted subsidization of the Socialist Government of Great Britain. If the practices of a government are prodigal, subsidization of that government constitutes subsidization of prodigality. If the policies of a government promote scarcity and stagnation of production and thus promote the spread of communism, subsidization of that government promotes the spread of communism by perpetuating the conditions that foster it. If the correct method of combating the spread of communism in western and central Europe is to restore prosperity, measures calculated to restore prosperity must be adopted. The subsidization of western European governments is not such a measure. Neither are measures for the reshackling of Americans. Such measures will do no more than destroy production at home. There is but one method of restoring prosperity in western and central Europe. That is to unbind the people, provide them with an honest medium of exchange and permit them to create prosperity.

Congress can tax Americans until they cry for mercy and millions of them are uttering that cry today, and it can subsidize existing foreign governments without end, but until governments are set up which will establish and maintain honest media of exchange, live within their means, and free their peoples from bureaus and harmful controls there will be no recovery. And when they do establish and maintain such media of exchange, reduce government expenditure to the level of government income, and free commerce from its chains, there will be no occasion to cry for foreign relief. The cure for Europe's economic distress, Congressman, is to be found neither in the exportation of American resources gratuitously to European governments nor in re-regimenting Americans. It is to be found in the freeing of Europeans.

Very truly yours,

WILLIAM CHAMBERLAIN.



policy and the Treasury when spending the public's money.

While discussing how S. 912 and the devices for evading the law will kill the veterans' chances, I would like to clear up a couple other confusions which appear to have been cultivated. One of these confusions is the statement that land subdivides naturally when you irrigate it; therefore, why not repeal the law? Congress was familiar with that argument in 1902 and rejected it then. History and the census, now as then, prove that sometimes land does subdivide naturally and a lot of times it doesn't. Even if the land does naturally subdivide, every veteran who tries to buy a subdivided farm under the project without protection of the 160-acre water limitation will be forced to pay to the present landholder a price to include the capitalized value of water improvements created, not by the investment or labor of the landowner, but by the appropriations of Congress. If, relying on what you are told about the land breaking up easily and naturally, you should decide to repeal this 160-acre water limitation, you will be repealing the law that controls speculation as well as monopoly, and you will leave the veteran who purchases a farm to be shorn like the lamb.

Some people think, when we talk about water limitation, that we are deciding only about farm opportunities. Some think—even some Members of Congress, I regret to say—since the opportunities to farm are so inadequate, anyway, that they might as well yield to the pressures of special interests to support repeal. The California Department of the Veterans of Foreign Wars is interested in standing up for those veterans of World War II who want to farm, even if they are in a minority, and even if all our best efforts will not be enough to get farms for all who want them. Even that position is too narrow, and we take our stand on one that is broader. The 160-acre water limitation insures more than opportunity to farm. It assures opportunity for those veterans who want to go into small business or who want to practice their professions in small cities and towns located within reclamation projects. That is another important reason why we are against any move to defeat enforcement of the reclamation law. Everybody knows that family farms make better communities with better business and professional opportunities than do large, corporate farms. And we don't want veterans of World War II to have to wait for them, staking their hopes on somebody's overoptimistic prediction that better communities will happen just naturally.

Now for my third and final point. The Veterans of Foreign Wars, California Department, wants veterans of World War II to get their farms now, not 10 years from now, or when they are old men. The present contracts offered by the Bureau of Reclamation in Central Valley allow excess land holders 10 years in which to sell, but neither provide them a market nor give veterans any preference. The existing preference granted by Congress on public land remains a pretty empty gesture while there is so little public land on reclamation projects. It will not be difficult to give that gesture the sincerity with which the Congress undoubtedly intended to make it. Nor will it be without precedent. We ask you simply to provide, as you did in the Columbia Basin Act of 1943, for Government purchase of excess land holdings. By so doing you will provide for prices fair to seller and to farmer alike; and, wherever lands are held in excess of the legal water limitation you will create areas on which qualified veterans will be able to exercise their preference.

I want to say to the committee in conclusion that our position on this issue is not taken hastily, and bears no taint of demagoguery or expediency. It is founded on the highest public principle. No body of men is more dedicated than the Veterans of Foreign Wars to the principle that sound homes make

a sound nation. We recognize a drive against family farms in our State or Nation when we see it. We are not ready, under the guise of these wholesale exemptions or by any other subterfuge, to throw overboard the family farm. We are not ready—neither as citizens nor as veterans—to junk the reclamation law.

STATEMENT OF CALIFORNIA DEPARTMENT, VETERANS OF FOREIGN WARS OF THE UNITED STATES, BY ROBERT W. PONTIUS, MEMBER POSTWAR PLANNING COMMITTEE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

We are wholeheartedly in support of measures to increase the number of solidly based American homes. That is why we stand opposed to any attempts to tear down the antimonopoly provisions of the reclamation law. The motto of the movement for reclamation a generation ago was "make homes on the land." With that we are in entire agreement. When the first attempt was made to break down acreage limitation at the 1905 session of the National Irrigation Congress, Judge Baker answered the representatives of the large landholders in these words:

"The committee of 17 that originally planned and arranged the adoption of the national irrigation law secured its adoption and presentation to Congress solely and entirely upon the question that the great land monopolies would be prohibited from getting the benefit of it by getting the lands to be watered, and after they were watered, by the Government to go in with large means and take up all the land irrigated and thereby prevent the homeseekers from getting homes. Schemes which would limit development for private gain must give way to larger works and greater general benefits. We must stand by the law, by the Government that is in favor of building up the home in the great arid West and making it an empire in itself."

That is how Judge Baker of California answered those who would repeal the acreage limitation in 1905. There are many ways to defeat the law designed to make homes on the land, and repeal is only one of them. Another way to defeat the law is for the Army to build flood-control dams. Still another way is for the Reclamation Bureau, itself, to proceed with the construction of canals before the owners of land that are to receive water officially ask for the water. It is recognized as good business that contracts for the water must be completed before construction of dams or canals are begun.

The Bureau of Reclamation has always recognized it to be the best practice to require execution of recordable contracts agreeing to comply with the law, in advance of construction. Upon more than one occasion the Congress has written this wise provision into law. For example, the Reclamation Extension Act of 1914 provided that "before any contract is let or work begun for the construction of any reclamation project hereafter adopted, owners of private lands must be required to execute contracts to agree to dispose of their excess holdings." A similar provision was included in the Columbia Basin Act in 1943. The same rule should prevail in Central Valley, and is necessary if veterans and others are to have any substantial opportunity to make the homes on the land which the National Reclamation Act intended to provide them.

The veterans' interest in compliance with acreage limitation on water extends to dams and other irrigation structures built by the Army Engineers as well as by the Bureau of Reclamation. Indeed, veterans have been particularly shocked by the apparent willingness of high Army officers in responsible position to sacrifice acreage limitation, and at the same time to sell the opportunity for their own veterans to make homes on the land down the river. I refer particularly to Pine Flat Dam, where construction is about to begin, with no contracts for repayment or

compliance with excess land provisions. To this situation the veteran can only make the most vigorous protest. We will insist, before any further appropriations are made, and before further construction is made under presently appropriated funds, that recordable contracts be executed by private landholding beneficiaries, agreeing to abide by the law of repayment and acreage limitation.

More specifically, we recommend as follows:

1. That all initial features of the project be completed as soon as possible except that no appropriations be made for or construction started on the Friant-Kern canal beyond the Kaweah River until recordable contracts for disposition of excess lands within the SJMUD are received by the Bureau. And that no appropriations be made for, or construction begun to continue the canal further southward unless the present law is fully carried out.

2. That no further appropriations be made for, and no construction be started on the Kings River unless and until the beneficiary land owners, the Army engineers and Bureau of Reclamation comply fully with the law in this respect.

3. That if the present recommended budget of \$20,000,000 now under consideration by Congress contemplates Friant-Kern canal construction beyond the points mentioned above, it be reduced by this amount.

We are convinced that when Central Valley construction is completed as I have indicated, it will afford full irrigation and other benefits to about 97 percent of all the people with the great Central Valley. Further construction at this time will benefit only 2 or 3 percent of the people of the valley and these people have not yet officially asked for help.

We recommend to Congress that here is a legitimate place to cut the budget.

## Price and Rent Control or a Christmas Holiday?

### EXTENSION OF REMARKS OF

HON. WALTER A. LYNCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. LYNCH. Mr. Speaker, I regret that the distinguished majority leader refused to yield, so that I might propound the question, "Do you think it is more important for the Members of the House to enjoy the Christmas holidays at home than it is to debate and determine the all-important question of anti-inflation controls?" It was an embarrassing question—I intended it to be so. I wanted to know whether it was more important in the war against inflation for us to go home or carry on the war. The Republican majority decided it was more important to go home, especially as they do not want a price-control bill and they are opposed to inflation with their tongues in their cheeks. For my part, I am opposed to any holiday adjournment until a price-control and a rent-control extension bill is passed, and I shall oppose any such adjournment.

Mr. Speaker, in our generation we have fought two world wars—the last more destructive than the first. World War II has left the world in short supply of the things that are needed for normal life. Scarcity has produced high prices. High prices make sellers hold out for



still higher prices and thus the vicious circle goes round and round. If we are to stop the spiral upward we must have a Government edict that will say, "Prices must be rolled back to June 1946." This may cause some loss to those who have speculated in foodstuffs but, I can assure you, it will be for the benefit of the general welfare.

President Truman called this Congress into special session for two purposes, namely, to aid Europe as a foreign program and to aid the United States by anti-inflation legislation. We spent days debating foreign aid; in fact, so much time was allocated to this subject that at times there was a scarcity of speakers and a surplus of time. The Republican majority, unmindful of its responsibility to legislate, sought by every parliamentary device to delay the final consideration of the foreign aid bill. Their so-called political strategy is now apparent—they wanted to use up as much time as possible before the Christmas holidays so as to prevent any extended debate on price control.

What is their strategy? The tide of inflation is sweeping on. The housewives of the country daily see their dollars purchasing less—if they never knew what inflation was before, they know it now. They have had enough. The whole country has had enough of ever-increasing high prices. The country looks to the Congress of the United States to enact legislation that will not only curb present-day high prices but will also roll back prices to the level of June 1946. They look in vain, for the Republican majority brings in this bill, House Joint Resolution 273, introduced on December 10, reported on December 12, without giving the Democratic administration a chance to utter a single word of objection before the Banking and Currency Committee. Before the House on December 15 the Republican majority not only disclosed its disdain for the Democratic administration and the Democratic Members of the House, but they have shown to the American people an unprecedented callousness to the whole inflationary spiral by allowing only 20 minutes' debate on either side and by insisting on a suspension of the rules so that a two-thirds vote, instead of a majority vote, would be needed to pass the bill.

The bill itself is a travesty. It insults the intelligence of the American people. It is called a price-control bill. In truth and in fact, it definitely provides on lines 1 and 2, page 3, that although the President may approve voluntary agreements provided for in the bill, "he shall not approve any agreement which provides for the fixing of prices."

What kind of a price-control bill is that which specifically provides that there shall not be any price control? How can we have price control unless there is the power to fix the prices at a definite level? What else does the bill provide? Voluntary agreements on the part of industry and agriculture to stem the tides of inflation. The President has issued the warning and has called upon Congress to strengthen the dikes against the tide of inflation—and what does the

Republican majority responsible for the legislation in Congress do? They offer the President a broom to sweep back the tide. They do not even give him the broom when they insist that this bill pass by a two-thirds vote instead of the usual majority, because they know they cannot muster a two-thirds majority. I wonder if it is the intention of the Republican majority to duck the responsibility for legislation that goes with the majorityship by henceforth demanding that all legislation be passed by a two-thirds vote.

The cynicism of the Republicans toward the plight of the people is evidenced by the fact that they would extend export controls another year from February 28, 1948, when the present export controls expire. No one has any fear that export controls would not be extended. But what of rent controls that expire the same day? Not a word about that in the bill. Thousands upon thousands of tenants are being blackjacked into the so-called voluntary rent increases because Congress wants to go home for the Christmas holidays and will not pass legislation so that the tenants can know where they stand.

It is my intention to ask the President to call another special session of Congress to convene immediately upon the adjournment of this session and to keep the Congress here in Washington until it passes a price-control bill that will roll back prices and provide for rent control.

### The Late Honorable Raymond S. Springer

#### EXTENSION OF REMARKS

OF

### HON. FRANK L. CHELF

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 17, 1947

Mr. CHELF. Mr. Speaker, I was on board the *Queen Mary* this summer heading for Europe with the Fulton subcommittee to make an inspection of displaced-persons camps, when the sad news of the passing of my good friend, RAY SPRINGER, of the Tenth Indiana District, was beamed via radio out to sea. I was shocked and deeply saddened by the broadcast and somehow, without warning, a hot lump immediately appeared in my throat and I found great difficulty in swallowing. Slowly, very slowly, I forced myself to realize that RAY had been summoned by the Master of all lodges and men to his final reward.

RAY SPRINGER was a Christian gentleman, a great lawyer, and a splendid Congressman. Although it had been years before, just after World War I, in fact, that he had laid his country's uniform away in moth balls; nevertheless, he was stricken in the service of his country, his native State, and his district. He was a victim of overwork in the interest of his people whom he loved with all of his heart.

I had the pleasure of working and serving with RAY on the Judiciary Committee of the House. I had a better opportunity to know, love and understand RAY

by reason of the fact that we served together on Subcommittee No. 4 of the Committee on the Judiciary. He was always in good humor and his smile had a way of easing tension whenever a controversy threatened. His advice and excellent judgment contributed much toward the solution of many difficult problems before our committee for final decision.

RAY SPRINGER shall be missed by all, for to have known RAY was indeed to have loved him. By his exemplary life here amongst us, he has constructed an everlasting monument to his name.

May God bless and keep his loved ones forever and a day.

### Mr. Laski's Slurs

#### EXTENSION OF REMARKS

OF

### HON. FRANK W. BOYKIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 16, 1947

Mr. BOYKIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter addressed to the editor of the Washington Star and appearing in that newspaper under date of December 5, 1947, by Mr. Edward Boykin, well known historian and lecturer, of Charlottesville, Va. Mr. Boykin and I have a common ancestor in Edward Boykin, who came to Virginia from England in 1685.

### MR. LASKI'S SLURS

To the EDITOR OF THE STAR:

I am writing to reply to the slurs and innuendos directed at the United States and contained in the interview with the British economist, Harold Laski, which was published recently in the Sunday Star.

I resent these ungenerous slaps at a nation that last year gave Britain over \$3,500,000,000 and is just now considering another blank check. It is about time some American told the bunch of political inepts, who are fast running Great Britain into the ditch, just where to head in.

Mr. Laski says that we are politically immature, that we have failed, as yet, to reach political maturity. If political maturity means the sort of maturity Great Britain is now enjoying, then God save America from such maturity, reached as it was by the sweat and degradation of millions of people to whom a helping hand was never even offered.

Mr. Laski slurs the unity of the United States. In 1776, the 13 United States had unity enough to snatch from Mr. Laski's then predecessors in office the greatest prize in the world's history. Indeed, Canada would have unified with the Thirteen States had it not been for a vile intrigue that included paying the Indians \$2 apiece for American scalps. We had unity enough to save Great Britain's scalp in 1917. We had unity enough to save Great Britain's scalp as well as her hide again in 1941.

Mr. Laski says we are a Santa Claus people. That's just a jealous, smart-aleck crack. It is reminiscent of the Uncle Shylock slap that followed World War I. But, who made us a Santa Claus people? That's one for Mr. Laski to answer.

Maybe we are a Santa Claus people. But isn't it better to be a nation of Santa Claus people than a nation of those who sponge on other people's generosity? Mr. Laski, seated "beside his cozy fireplace," as the Star de-







# House of Representatives

WEDNESDAY, DECEMBER 17, 1947

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord of life and Father of the living, keep us, we pray, under the shadow of Thy holy wings. Lest our devotion lessen and wither, grant us wisdom to discern the true and commanding way. Confronted as we are by a restless and contradictory world, keep us strong, just, and courageous, with an intensity of purpose for our Republic, conscious that we are debtors, living by one another and for one another.

As we near the shadows and the sanctity of the holy manger, with its sweet serenity and heavenly humility, link our thoughts to the Christ whose star comes to light the channels of humankind. Release us from an excessive commercialism, that with open hearts and ready hands we may follow the Holy One who brings a heritage of infinite love with its tides of eternal peace and joy. In our Saviour's name. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## EXTENSION OF REMARKS

Mr. McDONOUGH (at the request of Mr. Boggs of Delaware) was given permission to extend his remarks in the RECORD and include a brief article on veterans' reemployment.

Mr. MORTON asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Louisville Courier-Journal.

## PERMISSION TO ADDRESS THE HOUSE

Mr. BUFFETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

## PRICE CONTROLS

Mr. BUFFETT. Mr. Speaker, Government buying and exporting of grain this fall made higher meat prices in the spring of 1948 most probable.

However, reports from my district, the second largest livestock market in the world, indicate that President Truman's recent actions have changed this disturbing probability into an almost certain calamity.

By demanding price controls again, President Truman has pulled the rug out from under the cattle feeding industry.

Already prospective cattle feeders were hesitant and worried because of the high price of both feeder cattle and feed supplies. President Truman has created the

final hazard to discourage and reduce cattle feeding.

And so Mr. Truman has unwittingly done it again. As in the 1946 steel and auto strike controversy, he has talked in such way that prices are going much higher as a direct result of his proposals.

If meat prices go through the roof in the spring of 1948, the responsibility should be placed where it belongs—at the door of the White House.

## EXTENSION OF REMARKS

Mr. GOODWIN asked and was granted permission to extend his remarks in the RECORD and include an address recently given by Mr. Gilbert Montague.

Mr. BENNETT of Michigan asked and was granted permission to extend his remarks in the RECORD.

## PERMISSION TO ADDRESS THE HOUSE

Mr. McGARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## ANTI-INFLATION LEGISLATION

Mr. McGARVEY. Mr. Speaker, 2 days ago the House failed to pass a four-point anti-inflation measure. The fact that this attempt was unsuccessful actually does not matter since it was doomed to failure anyway. The President implied at his press conference that he would probably veto the measure, in the same way that he vetoed the two tax-reduction bills which Congress sent him at the last session. The President's actions indicate startlingly his utter disregard for the welfare of the American people. They also reveal Mr. Truman's repudiation of our republican form of government which guarantees that the laws of the land shall be made by a body of representatives elected by and responsible to the people.

Mr. Truman seems to believe that all power should be vested in himself alone. He disapproves of the House bill because it does not give him the powers which he asked for in his speech on the opening day of the special session of Congress. Mr. Truman seems to forget that America is not a dictatorship, but a republic. In the same manner in which he decreed that no one could have tax relief because he did not approve the legislation which provided it—and I will not mention here Mr. Truman's jumbled mathematics in that instance—he now implies that because the anti-inflation program is not his anti-inflation program, America shall continue to suffer from the high prices which are currently working such a hardship on those who must live on fixed salaries, pensions, and annuities.

Congress was perfectly willing to listen to the views of administration aides in regard to inflation and to learn their recommendations for curbing it. But what did Congress learn from Mr. Truman's representatives? Well, we are still trying to figure that one out. We did learn that Mr. Eccles and Mr. Snyder disagree violently about economic and monetary matters, which was surprising considering the posts which they hold in the administration. Mr. Harriman, Mr. Anderson, and Mr. Schwollenbach were less enlightening. Their excuse that the Congress must legislate does not let them off in this instance, since the President will accept only his own program and had ruled out the congressional bill before it was even introduced.

Of course, we should be used to executive double talk by this time. Another instance of it can be seen in the administration's changing attitude toward speculators on the grain exchanges. For quite some time Mr. Truman and Attorney General Clark have been raising quite an uproar about these speculators, and accusing them of being responsible for high prices. Their honest indignation and threatening attitudes were most gratifying to those who were suffering such hardship from the high cost of living. In a recent speech on the floor of the House, I charged that we would never have more than token accusations against speculators on the food exchanges, since it would be most embarrassing if the administration had to prosecute its own officials. The Senate investigation into the speculations of Mr. Pauley proves my point. Now we learn that Mr. Anderson refuses to divulge the names of big speculators since he interprets the law as forbidding the publication of such names. If this is not a recent interpretation, why was the hue and cry raised in the first place? Or am I being political when I ask that question?

Again I would like to repeat that it would be futile to invest Mr. Truman with controls since he refuses to exercise those which he already has, controls which would more effectively curb inflation than any one of his 10 points. Why does he not exercise his control over currency issuance instead of sending Mr. Eccles to Congress with absurd programs for economic reforms? Why does he not exercise his control over exports instead of having Mr. Harriman tell a congressional committee that we must export so much of a certain commodity to a certain country because we exported the same amount last year? Why does he give Congress no cooperation in their drive to reduce Government expenses, and why is he so opposed to tax reduction until the right time arrives?



The answer might possibly be that the treatment of the effects of inflation has more popular appeal than the means whereby the cause can be cured. That he is also playing politics with the welfare of the American people is, of course, only a secondary consideration.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. COMBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. COMBS]?

There was no objection.

#### INVESTIGATION OF SPECULATION IN STOCK MARKETS

Mr. COMBS. Mr. Speaker, I have just introduced the following concurrent resolution:

*Resolved by the House of Representatives (the Senate concurring):*

1. That a joint committee of the House and Senate shall be constituted as soon as practicable after the adoption of this resolution to inquire into and make investigation of trading in the commodity markets of the United States and particularly in items of food and clothing by officials and employees of the United States Government in the executive and legislative branches thereof, including Members of the House and Senate of the United States and their employees:

2. Said committee shall consist of five Members of the House to be appointed by the Speaker of the House and five Members of the Senate to be appointed by the President of the Senate: *Provided*, That each Member so appointed before entering upon his duty with said committee shall file with the Clerk of the House of Representatives or with the Secretary of the Senate a statement in writing and under oath stating whether or not since January 3, 1947, the date of the convening of the Eightieth Congress, he has engaged in any purchases or sales of commodities either for immediate delivery or future delivery through any broker or commodity exchange in the United States; and if so, he shall state the nature of such transaction, the date thereof, the amount thereof, and the amount of any profit or loss he sustained upon each such transaction.

3. Said committee shall immediately after its appointment proceed to organize by electing a chairman and a cochairman.

4. Said committee shall be clothed with full power to summon witnesses, make inquiries, and require the production of records and to exercise all the powers and prerogatives applicable to committees of inquiry appointed by the House of Representatives and by the Senate of the United States.

5. The Secretary of Agriculture is authorized and hereby directed to furnish to said committee a list of all officials and employees of the United States Government who have heretofore, since January 3, 1947, engaged in transactions, purchases, and sales of commodities of food and clothing on the various exchanges of the United States so far as shown by the records of his office.

A great deal has been said lately about officials and employees of the Government engaging in speculation on the commodity markets. I have no personal knowledge of whether or not officials of this Government have engaged in such practices or whether or not having done so such persons had access or received information of a confidential nature from any official or department of the Government.

But I do know that these charges have created apprehension in the minds of our people which can only be dispelled by fair, forthright, impartial, and thorough investigation of the facts.

As you will observe from the resolution it specifically provides for the inclusion within the scope of the investigation of Members of the House and Senate and their employees.

From the newspapers I note it has been suggested that a congressional committee is not the proper forum to investigate Members of Congress. I take flat issue with that view. If we, in the Congress, do not provide for such an investigation how shall it be made? It is no answer to say that we Members of the Congress must stand for election and that, therefore, the people are the forum. To that I reply, how shall the people know how to judge us on this issue unless they have the facts and how shall they get the facts except the Congress ascertain them and make them public.

To my way of thinking a very vital question is here involved, the question of faith and confidence of the people of this country in their Government.

We hear a lot said these days about threats to our Government and to our free way of living. Surely these are trying times, and we must remain ever on the alert. But to my way of thinking the most serious blow that could be struck against the free institutions of this country would be for our people to reach the conclusion that our form of government has failed to serve the public interest. The people of this free country can be depended upon to do the right thing if they are given the facts. No party and no individual office seeker could ever be haled into a fairer court than the bar of public opinion, and no party, man, or issue could ever be tried before a fairer jury than the American people.

The people of this country are sound in their way of thinking and unswerving in their loyalty to the principles of freedom under the law upon which our liberties rest. Constitutional government will never be in danger in this country unless and until our people lose faith in the Government. They will be in danger only when our people believe that selfishness and greed motivate officials of the Government. It will be when they lose faith in the fairness and justice of their courts; it will be when they come to consider the Halls of their Congress the haunt of the demagog.

Personally, in spite of accusations and charges, and perhaps of failures here and there, I still have faith in our Government and in the Congress of the United States. And I think the people do. Let us sustain their faith by making the proposed investigation and giving them the facts.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### THE DOMESTIC FUR FARMERS AND OTHER SMALL BUSINESS

Mr. WOODRUFF. Mr. Speaker, when the United States of America consisted of 13 charter members knit together by their interdependence and the precariousness of their position, there were no large businesses. The future of the United States of America was being prepared by the colonists, the pioneers, and to a great extent by the explorations of men during their search for fur-bearing animals. The forested regions of the territory west of the Atlantic coast were first explored and mapped by the trappers and hunters, who, as civilization followed them, moved further westward until even the mountain fastnesses of the great Northwest were thoroughly explored. At that time the fur industry of the North American Continent could have been termed a big industry, for it was large in comparison with others of that day.

Today the fur industry is definitely a small industry. And what I will say of that industry is true of a great many other small industries. During the last 15 years of depression, uncertainty, war and turmoil, the New Dealers and other free-traders have hacked away at the devices the United States adopted generations ago to protect American industry from the products made by almost slave labor in countries with living standards which we would not tolerate in the United States. In the hearings before the Ways and Means Committee on the operation of the trade agreements and in the hearings before the Committee for Reciprocity Information, which preceded the Geneva Conference, the stock question with which the State Department answered every logical argument presented was: "Have you been hurt yet?" Frequently the answer was "Yes," and then the interrogation stopped. When the answer was to the effect that the unsettled conditions of the world had made it possible for the domestic product to still compete, the answer was: "Then, what are you crying about?"

Mr. Speaker, the fur industry of the United States is disintegrating. The large potential market for domestic furs within the United States has been practically wrecked. This domestic producing industry, which at one time enjoyed a certain measure of prosperity, and which thereby attracted independent-minded American citizens, has been so seriously affected by the floods of imports of furs that the Agriculture Department and certain congressional committees have become alarmed and are attempting to devise means of saving what is left. In 1946, imports exceeded domestic production by more than 2 to 1. Shipments from abroad were offered at whatever prices they would bring. Prices were forced down at a time when domestic costs were advancing tremendously.

Even a huge industry would be affected under such circumstances. The effect on a small industry is even greater, for this type of business, composed of a large number of small individual units, is first to feel the shock of unfair com-



the Senator from New Hampshire is chairman of the committee which reported the joint resolution, I assume he wants it passed.

I ask unanimous consent that the joint resolution lie on the table for the time being, because I may decide to offer it as an amendment.

There being no objection, the joint resolution (S. J. Res. 169) to authorize the Secretary of Agriculture to publish the names of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by each such person, introduced by Mr. BARKLEY, was received, read twice by its title, and ordered to lie on the table.

#### PROPAGANDA BY WAR ASSETS ADMINISTRATION FOR RELOCATION OF INDUSTRIES

Mr. LODGE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from Massachusetts?

Mr. WHITE. I yield to the Senator from Massachusetts.

Mr. LODGE. Mr. President, yesterday the senior Senator from New Jersey [Mr. HAWKES] informed the Senate Administration urging industry to move West. Today I have received a paper from the War Assets Administration urging industry to move south. I suppose that in the next few days there may be other publications by that agency of the Government urging industry to move to other points of the compass. This particular publication I have received this morning says:

#### LOOK SOUTH—OVERHEAD IS LOW—LABOR IS FRIENDLY

Favorable laws, low taxation, abundant natural resources and raw materials make the location of these commercial units desirable.

Then comes a brief statement of the advantages of that particular section of the country. I ask to have the statement printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### LOOK SOUTH—OVERHEAD IS LOW—LABOR IS FRIENDLY—WHY NOT INVESTIGATE?

Favorable laws, low taxation, abundant natural resources and raw materials make the location of these commercial units desirable.

The information contained herein is believed to be correct but no guarantee is made. Timber: 54 percent of the State is in timberland—thus assuring an ever-replenishing and almost inexhaustible supply of raw material.

Dairying: Mississippi is rapidly becoming a leading dairying State. The 526,000 dairy cattle in the State in 1946 produced 155,797,478 gallons of milk.

Textiles: Cotton affords an endless supply of annually replaceable industrial raw material. Over 2,292,749 acres of cotton were planted in 1945.

Ceramics: Mississippi has a wide variety of nonmetallic minerals which offer many commercial opportunities. Vast undeveloped clay deposits await further development.

This offering is subject to the Surplus Property Act of 1944 and pertaining WAA regulations.

For complete information and for arrangements to inspect the property, address War

Assets Administration, Office of Real Property Disposal, 7020 Franklin Avenue, Station D, New Orleans, La.

Mr. LODGE. Mr. President, it is manifestly improper for any agency of the Government to urge industries to move from one section of the country to another. The War Assets Administration is set up to help the American people and not to cause economic dislocation. I say that, of course, without regard to the admiration and affection which I entertain for the South, for the West, and for every other section of our country. I say that we should put this agency on notice as publicly as possible that when it spreads propaganda seeking to have industries move from one section of the country into another it is doing something improper.

#### STABILIZATION OF COMMODITY PRICES AND THE NATIONAL ECONOMY

Mr. TAFT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Maine yield to the Senator from Ohio?

Mr. WHITE. I yield.

Mr. TAFT. I move that the Senate proceed to the consideration of Calendar No. 833, Senate Joint Resolution 167, a joint resolution to aid in the stabilization of commodity prices, and to aid in further stabilizing the economy of the United States, and for other purposes.

Mr. President, this measure was referred to yesterday, and I may say that I plan to present the reasons why I think it should be passed. I understand that the distinguished Senator from Kentucky has various amendments to offer, some of which seem to be entirely satisfactory. After the joint resolution has been explained, if the amendments have not been printed—and they may not have been—I shall move to lay the joint resolution aside temporarily and take up the bill dealing with regulation W and proceed with it until it is completed. I hope the amendments may be ready and that they will be presented, so that we may perhaps consider the joint resolution and get it through today, by reason of the fact that if the House may have 2 days in which to consider it, perhaps the joint resolution can be passed by that body. If the House has only 1 day, Friday, to consider it, perhaps it cannot pass the joint resolution.

I hope we may conclude consideration of the measure today, but it can be set aside temporarily for the convenience of the Senator from Kentucky to prepare his amendments, and we can proceed with the bill dealing with regulation W in the meantime.

Mr. BARKLEY. I thank the Senator from Ohio.

The PRESIDENT pro tempore. Let the Chair first get the record straight. Does the Senator from Maine yield to the Senator from Ohio to make the motion?

Mr. WHITE. I yield.

The PRESIDENT pro tempore. Then the Senator yields the floor. The Senator from Ohio is recognized, and yields to the Senator from Kentucky.

Mr. BARKLEY. I wish to make a statement. I shall not oppose the motion to take up the joint resolution. We on this side do not propose to attempt to de-

lay consideration of the measure, or its adoption by the Senate in any form in which the Senate may finally complete the joint resolution. It was introduced only a day or two ago, and was reported yesterday. We did not see copies of the joint resolution as reported from the committee until this morning.

The joint resolution takes care of only 2 of the 10 points set forth in the President's message, that is, the extension of the export controls beyond the 28th of February, and power to allocate transportation. So, in order that we may undertake to provide so far as possible for the accomplishment of the President's program insofar as we can agree upon it, we have in process of preparation some amendments, which I hope will be acceptable to the Senate and to the sponsors of the joint resolution and to the committee. They will not be ready probably before 3 o'clock, and as a result I have called an adjourned meeting of our policy committee for 2 o'clock, to go over the amendments, in the hope that we may speedily agree upon them, and submit them for the consideration of the Senate.

I thank the Senator from Ohio for his courtesy in this regard.

Mr. TAFT. Mr. President, may we have the question stated?

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio that the Senate proceed to the consideration of Senate Joint Resolution 167.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (S. J. Res. 167), to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, which had been reported by the Committee on Banking and Currency with amendments.

Mr. TAFT. Mr. President, I wish to make a brief statement of the reason why I objected to the request of the Senator from Kentucky for the immediate consideration of the joint resolution repealing or amending the law which, it is alleged, prevents the Secretary of Agriculture from giving information regarding traders in grain on commodity exchanges. This matter was considered by the Chairman of the Committee on Appropriations and others this morning, and by the Republican Policy Committee, and, after studying the law, we came to the conclusion that under the law the refusal was wholly unjustified. I do not want to argue the point, but it seemed most unwise to establish the precedent that every time a member of the Executive Department refuses to give information, we immediately have to pass a special law in order to require him to give it. We feel very strongly that the subpoenaing powers of the committees of Congress are adequate for the purpose, and that we ought not, as a matter of precedent, to admit the insufficiency of those powers in any case. I do not care to argue that question at the present moment. If the Senator offers his resolution, as he has a perfect right to do, as an amendment to the bill, of course that point will be a subject for argument, but I only wanted to ex-



plain why it was that I objected, namely, that there is a substantial point of argument which I did not want to become involved in the motion for immediate consideration.

Mr. BARKLEY. Mr. President, I think there is legitimate ground for doubting the authority of the Secretary of Agriculture to make public the names of those who trade on commodity exchanges. The law provides that he may make investigations and reports, but it makes an exception that he cannot divulge the names of individual traders or their transactions on the commodity markets. There is even doubt as to whether a committee of the Congress can compel him to do so in the face of that exception and prohibition. But even if the committee can do so, no committee of Congress ought to be allowed to make a selective list which it would require the Secretary of Agriculture to divulge, without calling for the entire list. In order that there may be no doubt about his authority to do it, I have introduced the joint resolution. Certainly there ought not to be any objection to his authority to do it, if there is now any ground for questioning it. I am informed that the Solicitor of the Department of Agriculture has advised the Secretary that under the present law he does not have the authority, and what I am seeking to do is to authorize him to do it regardless of any exception in the existing law.

Mr. FERGUSON. Mr. President—

Mr. TAFT. I yield to the Senator from Michigan on this particular subject.

Mr. FERGUSON. I merely wanted to mention the fact that there is no intention on the part of the Appropriations Committee to ask for a limited list. The letter to the Secretary of Agriculture was very broad. It not only asked for all the names and the amounts, but it asked for all the information he had collected through his investigations and examination. There was no attempt, and there is no attempt whatever, to limit the investigation, or to have it anything other than a full investigation.

Mr. BARKLEY. The Senator will agree that if the law prohibits the Secretary of Agriculture from divulging the information, the law cannot be repealed or nullified by a letter written by a committee to the Secretary of Agriculture.

Mr. FERGUSON. I agree entirely to that statement; but the law is clear. I should like to read its first sentence:

For the efficient execution of the provisions of this chapter, and in order to provide information for the use of Congress, the Secretary of Agriculture may make such investigations as he may deem necessary to ascertain the facts regarding the operations of boards of trade, whether prior or subsequent to the enactment of this chapter, and may publish—

It will be noted there are two parts to this provision—

and may publish from time to time, in his discretion, the result of such investigation and such statistical information gathered therefrom as he may deem of interest to the public except data and information which would separately disclose the business transactions of any person and trade secrets or names of customers.

Mr. BARKLEY. That is the very exception.

Mr. FERGUSON. Mr. President, there are two parts to that section. The one is that he is to furnish all the information to the Congress; the other part, that he may in his discretion publish the report. When, in his discretion, he publishes reports not in relation to action by Congress, but generally, then he cannot divulge the names.

Let me read what the able Senator from Kentucky proposes to do. He does not propose to broaden the law, so that Congress may obtain this information. He proposes to allow the Secretary of Agriculture to give a partial list. Let me read it:

That section 8 of the Commodity Exchange Act, as amended, is amended by adding at the end thereof the following new paragraph—

This is what he proposes to do now:

Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture is authorized to publish from time to time the names of any—

Note, Mr. President, the words "of any"—

or all traders on the boards of trade and any other information in his possession relative to the amounts of commodities purchased or sold on such boards of trade by each such trader.

In other words, Congress, by this method, would authorize the Secretary of Agriculture to give a partial list of traders. That is not what Congress seeks today. I have no objection to it, but I believe the subpoena of Congress should be sent to the Secretary of Agriculture, requiring him to produce not only all the names but all the information. I agree with the able Senator from Ohio that if Congress, every time it wants a scrap of paper or wants any information from the executive branch of the Government, must pass a law in order to obtain the paper or information, then Congress cannot function. I think action should be taken today, and that we should have such data immediately, instead of being required to await the passage of a law permitting the Secretary of Agriculture to publish generally to the public a partial list of names or any information. What we want is all the information, and, under the law which is upon the books today and which is clear, we should be able to obtain it by subpoena. If we are unable to get it in that way, we should take every step that is possible, and we should do it as soon as possible, to investigate this matter fully, because, in my opinion, it is vital to the United States.

Mr. BARKLEY. Mr. President—

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. BARKLEY. I wish merely to make this observation: I am not interested in the technicalities of a resolution, or of the present law, except to try to clarify the matter. Congress passed a law which is now on the statute books, authorizing the Secretary of Agriculture to make certain investigations. It authorized him to report the facts to the Congress, but it excepted the power of the Secretary of Agriculture to report the

names of individuals who trade on the commodity exchanges. The Senator from Michigan desires now to issue a subpoena against the Secretary of Agriculture. The subpoena is issued; it is executed; the Secretary comes before the Appropriations Committee, and he refers to the law, about which he has been advised, and which seems to me to justify the advice, that he cannot make public the individual names. What I am seeking to do is to authorize him to do it, whether before a congressional committee or in the newspapers or in any other way that he may think is in the interest of the public. It might be to the interest of the public to know the names, even without any investigation by the committee or any requirement of a committee or a subpoena issued by a committee to the Secretary of Agriculture.

Mr. FERGUSON. I submit, Mr. President, the joint resolution of the Senator from Kentucky does not do that. It does not authorize the Secretary of Agriculture to produce before a committee all the information.

Mr. BARKLEY. If the Senator from Michigan is correct, such authority is unnecessary. He claims the Secretary has that authority now, and therefore the resolution will only broaden that authority, if the Senator from Michigan is correct, by authorizing him to publish the names.

Mr. FERGUSON. It would merely allow him to publish from time to time the names of any or all the traders, but not to give them to Congress, which is what Congress wants today.

Mr. BARKLEY. If the Senator from Michigan is correct, I, or any other Senator, could offer an amendment including the committees of Congress; so there could be no technical point in the position he now takes.

Mr. FERGUSON. I certainly shall offer such an amendment, if the joint resolution comes to a vote.

Mr. BARKLEY. I may say to the Senator that I would agree to broaden it. I asked the Legislative Drafting Service to draft the joint resolution to accomplish what I have in mind. This is the measure they have drawn. It is subject to amendment, and I probably would agree to broaden it.

Mr. FERGUSON. I certainly would ask that it be broadened.

Mr. TAFT. In any event, as I understand, the Appropriations Committee proposes to subpoena Mr. Anderson to come before the committee and bring with him all the data of every kind he has, every list, every name in connection with purchases of grain. I ask the Senator from Michigan if that is not the present intention of the Appropriations Committee.

Mr. FERGUSON. Mr. President, the Appropriations Committee has called a meeting for 2 o'clock today, at which time the matter will be considered. I do not think it is necessary for the chairman to ask the committee for authority to do so, but he is going to ask for authority to issue a subpoena duces tecum to the Secretary to bring in all the information, all the names, all the data, everything in connection with the subject matter, so the Congress may have



access to the information in connection with this important question.

Mr. WHITE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hatch	Myers
Baldwin	Hawkes	O'Connor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Bricker	Hill	Overton
Bridges	Hoey	Pepper
Brooks	Holland	Reed
Bushfield	Ives	Revercomb
Butler	Jenner	Robertson, Va.
Byrd	Johnson, Colo.	Robertson, Wyo.
Cain	Johnston, S. C.	Russell
Capchart	Kem	Saltonstall
Capper	Kilgore	Smith
Chavcz	Knowland	Sparkman
Connally	Langer	Stennis
Cooper	Lodge	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Tobey
Eastland	McGrath	Umstead
Eaton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Magnuson	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Murray	

Mr. WHITE. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Oregon [Mr. MORSE], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Nevada [Mr. MALONE] is absent by leave of the Senate on official business.

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Illinois [Mr. LUCAS] is absent by leave of the Senate.

The Senator from Tennessee [Mr. STEWART] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, Senate Joint Resolution 167 is on the desks of Senators. It is a measure to carry out some of the provisions of the President's proposals, and to carry out in part some of the other provisions of the President's proposals. I should like to discuss the entire situation with regard to the President's proposals, which were contained in his message to the Congress on November 17, and the present status of each of those items.

The President said:

In summary, the immediate anti-inflation program that I recommend calls for the following legislative action:

1. To restore consumer-credit controls and to restrain the creation of inflationary bank credit.

The measure to restore consumer-credit controls is on the desk, and probably will be considered later today.

"To restrain the creation of inflationary bank credit" is a subject so broad that it is impossible to complete it at this session of Congress. Mr. Eccles

presented a very elaborate plan to increase bank reserves by more than 100 percent, or by 25 percent in addition to the existing reserves, to be held in short-term Government bonds. Mr. Snyder does not agree with that proposal, and the whole subject is open to discussion. Mr. Eccles testified that in his opinion there was no hurry, that the fact that during the next 3 or 4 months between \$5,000,000,000 and \$7,000,000,000 of Government bonds would be redeemed, and deposits reduced accordingly, was a sufficient deterrent and deflationary effect on the growth of bank credit for the present.

I do not believe that anyone feels that the committees or individual members have as yet sufficiently made up their minds to determine what should be done in that field. The House bill contained a provision increasing the gold reserve against Federal Reserve notes and Federal Reserve bank deposits to 40 percent, as it was 2 years ago. I did not include that subject in this measure, because it seemed to me that it fell in the same general field of inflationary bank credit, and required further consideration, so it is omitted from the pending measure. Therefore, under the President's first point, we propose to consider one of the two questions, and postpone the other.

The President's second point is:

2. To authorize the regulation of speculative trading on the commodity exchanges.

The pending measure authorizes the continuation of the present voluntary agreement. It does not go further than that because there is a substantial difference of opinion, and I am afraid a very considerable controversy, as to whether authority to increase margins should be given. Personally, I am in favor of granting some such authority, up to a reasonable limit. I do not feel that there is any particular rush, because, as I understand, the grain exchanges will continue the present voluntary agreement. Mr. Mehl, head of the Exchange Authority under the Secretary of Agriculture, has testified that it is working satisfactorily, and he would not propose to raise margins today, even if he had the power; so we saw no emergency which required immediate consideration.

The President's third point is:

3. To extend and strengthen export controls.

That subject is covered by the pending measure. Senators will find the provision on page 3, section 3. It extends the present power for export control to February 28, 1949. The committee has inserted the following amendment, which was in the original House bill, and was requested by Secretary Harriman, dealing with the prices at which foreign goods are sold in relation to domestic prices:

(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable, mark-ups in export prices over domestic prices.

Mr. Harriman testified that he was embarrassed in South America, for example, by the fact that American exports were being sold at such high prices. When we appeal to the Argentineans to reduce the price of wheat, they point to the prices which they have to pay for American manufactured goods of various kinds. The provision in the joint resolution is not a price-fixing proposal. Mr. Harriman's proposal was that he approve an export license perhaps only if the mark-up over domestic prices was what he considered to be a reasonable price. He recognizes that the export business is a risky business. It is more trouble. Usually, it is conducted at a slightly higher price than domestic sales. His effort would be merely to prevent the margin over domestic prices from becoming unreasonable.

Personally, I doubt the effectiveness of such a measure, because it seems to me that any exporter who intended to charge a large margin could sell the goods at a low margin, and when he got them into a foreign country he could transfer them to some other company which he controlled, and take the additional margin there. But I suppose it may have some value as a gesture of good will, saying to other countries, "We are going as far as we can to prevent outrageous profiteering over and above what is charged here." The committee thought the provision should go in the joint resolution, and I agree that it is a proper provision. I feel that even today the Secretary could use price criteria in granting licenses. I think he could refuse or grant licenses, depending upon the price which was being charged. However, he has doubt of his power, and under the circumstances I see no reason why it should not be made express.

I may point out that for the past year the President has had full power to control and limit exports; and in my opinion the failure to exercise that power effectively is one of the reasons why we now have the present high prices.

The President's fourth point is:

4. To extend authority to allocate transportation facilities and equipment.

That subject is covered in the joint resolution under section 4, which extends that power until February 28, 1949, or such earlier date as the Congress by concurrent resolution, or the President, may designate.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator from Florida.

Mr. PEPPER. The Senator stated that the export situation had a material effect upon high prices. Can the Senator give me some idea of the commodities and the quantities involved?

Mr. TAFT. I do not quite understand the Senator's question.

Mr. PEPPER. The Senator, as I understood him, said that the failure to curb exports, to exercise some authority over exports, apparently had been responsible, in a measure at least, for the present high prices. I wondered if he had any data which he might disclose at this point as to the commodities af-



fects, and could give us some idea as to the quantity.

Mr. TAFT. I can give the data contained in the last report of the President's economic advisers, dealing with the Harriman plan. Those figures show that in the year 1947, at the rate at which we have been going, there will be exports of goods and services from the United States in the approximate amount of \$19,000,000,000, and imports into the United States in the approximate amount of \$8,000,000,000. We have taken out of our supply \$11,000,000,000 worth of goods with nothing against that figure of \$11,000,000,000. No matter how great our economy may be, we cannot take out \$11,000,000,000 without its having a very substantial effect on all prices. Our manufacturers are making things. They and their employees receive wages and returns for making them. They have money to spend, and no goods are available to them for which to spend the money. Consequently we have an increased demand against a reduced supply, and that has a substantial effect upon prices.

I may add that the figures also show that of the \$19,000,000,000 of exports somewhat less than \$8,000,000,000 worth went to Europe. Approximately \$11,000,000,000 or \$12,000,000,000 of exports have gone to other parts of the world, and the deficit of imports from other parts of the world is in the magnitude of five or six billion dollars. There has been practically no restraint on exports. It has not all been a matter of relief. Some of the other countries have accumulated dollars during the war and obtained additional credit and, in one way or another, have been bidding up the prices of our goods.

Mr. PEPPER. I dare say that those countries would be glad to send us something if we would buy their goods.

Mr. TAFT. Not at all. No one can point to any tariff restriction or otherwise on such imports this particular year. Other countries have not produced goods to ship here. We have been producing goods, and they have not been producing goods. That is the real difficulty.

Mr. PEPPER. The point I wanted to make was that exports from this country include all that went to occupied areas and all that went in furtherance of the aid program.

Mr. TAFT. That is correct. Approximately 40 percent of all the exports went to Europe. The deficit of imports from Europe is approximately \$5,000,000,000. The deficit from the rest of the world is about \$6,000,000,000. Those are offhand figures. I shall be glad to insert in the RECORD the figures contained in the report of the administration's economic advisers.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Virginia.

Mr. ROBERTSON of Virginia. I recently saw a statement dealing only with goods and not with services. The Senator knows that the freight charge on coal is more than the cost of coal. We exported in 1946 approximately 4 per-

cent of our production, and it was estimated that in 1947 we would export approximately 3 percent of our total production. Has the Senator any figures in accordance with that statement?

Mr. TAFT. I did not hear the Senator's last figure.

Mr. ROBERTSON of Virginia. It was estimated that we would export 3 percent of our total production of goods in 1947.

Mr. TAFT. I think that in 1947 we will have exported, of goods and services, \$12,000,000,000 worth, which would be approximately 6 percent of our total production.

Mr. ROBERTSON of Virginia. Is there any break-down between goods and services?

Mr. TAFT. I correct my statement. We will export approximately \$19,000,000,000 worth, which is nearly 10 percent of our total production.

Mr. ROBERTSON of Virginia. All the figures which I have seen in the early part of the fall indicated that our exports were falling off. The reason given was that Latin-America and some other countries, including Canada, which had been heavy buyers, were running out of dollars and had to curtail their purchases. Is that correct?

Mr. TAFT. That is correct. Exports in the last quarter of 1947 are less than they were in the third quarter. The largest export amount was in the second quarter. We have not reached in either the third or fourth quarter the amount shipped in the second quarter.

Mr. ROBERTSON of Virginia. I understood that we exported more goods—I am not dealing with services—in 1946 than we did in 1947. In 1946 exports amounted to approximately 4 percent and in 1947 to approximately 3 percent of our production; and I understand that if the Marshall plan shall be carried out as recommended by the administration it will involve approximately 2½ percent of our production.

Mr. TAFT. I am afraid the Senator is incorrect, according to my information. Exports in 1946 amounted to approximately \$13,000,000,000 as compared with \$19,000,000,000 as estimated in 1947. It is anticipated that 1948 exports will not be so large in amount.

Mr. ROBERTSON of Virginia. According to the figures I saw, we exported in 1945 \$19,000,000,000 worth of goods, less in 1946, and still less in 1947.

Mr. TAFT. I am afraid the Senator is incorrect. I shall be glad to insert the figures to which I have referred.

Mr. ROBERTSON of Virginia. I should appreciate it if the Senator would do so.

Mr. TAFT. I have already covered point No. 4. Point No. 5 is as follows:

5. To authorize measures which will induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain.

Secretary Anderson testified that various methods had been proposed for him to do that, but he did not see at the moment any way to do it except in connection with some method of price control of grain and livestock. So that matter is not dealt with except that it may be made a part of the voluntary program.

I now read point No. 6:

6. To enable the Department of Agriculture to expand its program of encouraging conservation practices in this country, and to authorize measures designed to increase the production of foods in foreign countries.

Those are two entirely different items. The first one is to expand the program in encouraging conservation practices in this country, which of course means grain conservation, to include voluntary handling of limitations on grain, livestock, and poultry.

By the way, no one can think of any possible manner in which it would be possible to limit the weights and grades of poultry. That is entirely abandoned. But otherwise this program would be included in the voluntary program.

In discussing this matter with Members of the House of Representatives, they felt that the Department of Agriculture already had authority to continue this particular program. As a matter of fact, the Department has been spending money on it. So the plan was to put it in the appropriation bill which is coming before the Senate, and which I understand will contain an appropriation for the purpose. The distinguished Senator from Kentucky [Mr. BARKLEY] has introduced an authorization measure, however, and has stated a possible intention of offering it as an amendment to the pending joint resolution. I certainly would have no objection. The only reason why it was not included in the pending measure was our feeling that it already was authorized.

The second part of No. 6 provides for authorizing measures designed to increase the production of foods in foreign countries, and that is covered in the same way in the appropriation bill. Again an authorization bill may be offered as an amendment, and again I would have no particular objection. I think it should be pointed out that it really has nothing to do with inflation at the present moment, because any program to encourage the production of foods in foreign countries would not be effective and would not produce any food for the world or for us probably for some 18 months. So it is not anything that has any bearing at all, I would say, on present high prices.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Inasmuch as the Senator from Ohio has included it as one of his points—and let me say that the points he is elucidating in his statement do not correspond to the sections of the joint resolution, it seems to me—

Mr. TAFT. That is correct. Two sections cover points 3 and 4. I now go to point 7.

Mr. BARKLEY. Inasmuch as the Senator from Ohio has included in a general way the matter of promoting the production of foods and feeds in foreign countries, I would say it would be just as applicable to an amendment, if I were to offer one, covering the same subjects as those covered by the joint resolution.

Mr. TAFT. That is correct.

Mr. BARKLEY. The Senator from Ohio may be correct in that it would not



have any immediate effect upon prices; but considering that there is likely to be a considerable period of time in which there will be a shortage of food all over the world, it has been thought desirable to authorize specifically some agency of the Government—either the Commodity Credit Corporation or the Department of Agriculture or some other appropriate agency—to promote the production of foods and feeds in other countries outside Europe.

Mr. TAFT. The Department of Agriculture did that in one case, beginning about 2 years ago, immediately after the war. The Department encouraged in every manner the production of copra in the Philippine Islands, and very successfully. Today we are very grateful for the work that was done 2 years ago; and I agree with the Senator from Kentucky that it is a very good thing to be done for the good of the world. I was merely pointing out that it had no immediate effect on prices today.

7. To authorize the allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production.

That is a proposal which is contained in a bill which was offered, I think, by the Senator from Kentucky; and it would give the Government the same kind of power—complete power—which the War Production Board had to limit inventories and set up material allocation programs and plans and allocate the distribution of all goods—an over-all control of an extremely totalitarian character, if it should be entirely used.

It is stated by the Secretary that it will be used only selectively in a few cases. There is very considerable opposition. We had many requests from industries to be heard in opposition to it. It became apparent very early in this session that we could not possibly complete consideration of that question at this special session of Congress before the Christmas holidays. So we searched to see what we could do to get this matter started.

The pending joint resolution proposes that the President shall begin to undertake to do this voluntarily, so far as possible. The witnesses before the committee and the President himself have indicated that they hope to accomplish the great bulk of what can be done in this field—that is, removing bottlenecks by allocating commodities to places where they are particularly needed—on a voluntary basis. The proposal of this measure is that we give them now the authority to do so on a voluntary basis, and then proceed to consider where compulsion may be necessary; and if compulsion is found to be necessary, we should take up that question following this session, in any particular field or place where such compulsion may be necessary. Personally I would not be in favor then of granting selective power. If selective power to allocate is to be used, I think the Congress should make the selection, because my experience is that if we grant over-all powers to an executive agency, a new bureau is set up to administer them or an existing bureau

is designated to administer them, and gradually that agency spreads out until it comes to exercise those powers over the whole field.

So the theory of this joint resolution in respect to the allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production is to have the program go as far as possible on a voluntary basis, and then if it is found that it cannot be successfully applied in certain fields on a voluntary basis, to grant compulsory authority as to those fields.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Is it not a fact that except for possible violation of the anti-trust laws, the President already has authority to do everything that it is now suggested that he do under the pending joint resolution?

Mr. TAFT. That is correct.

Mr. ELLENDER. As I understand the proposal, it is that the President himself shall initiate the whole plan, that is to say, he will ask various manufacturing concerns to enter into voluntary agreements as provided for in the joint resolution. Suppose such voluntary agreements are entered into in the way that is contemplated, what penalties, if any, will attach for violation of such agreements?

Mr. TAFT. The first penalty would be the granting of authority to put it on a compulsory basis. If the industry is not going to cooperate, we shall have to ask for additional authority to enforce the agreements.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. ELLENDER. But until that is done—which would mean additional legislation—there would be absolutely no way by which any agreements thus entered into could be enforced. That is correct, is it not?

Mr. TAFT. I think it would be possible to write an agreement so that the other parties could sue the violator for damages. Yes; that could be done. In such an agreement there could be a penalty clause for liquidated damages. I think that could be done.

Mr. ELLENDER. But there would be no obligation, would there, which would require all manufacturers of one product or commodity, let us say, to join in such an agreement?

Mr. TAFT. No; there would not. This is to be on a voluntary basis.

Mr. ELLENDER. It is to be purely voluntary. So that the producer of one product could not force his competitor to join in any agreement. Does the Senator from Ohio think it will work?

Mr. TAFT. Yes; it will work. Let me read what the witnesses have said. Mr. Chapman, Acting Secretary of the Interior, said this:

First, Congressman, we would be extremely hopeful that it would not be necessary to apply them at all.

He was speaking of these controls.

First, we would like very much—

Mr. ELLENDER. Mr. President, let me inquire what the witness was talking about at that point.

Mr. TAFT. He was talking about the application of inventory controls and allocation controls.

Mr. ELLENDER. I see. But that is not provided in this measure. He is talking about a different method of approach, one that can be enforced. No penalty is to attach, as I understand, and therefore, I repeat, the language there used is not applicable.

Mr. TAFT. That is correct.

Mr. ELLENDER. I repeat it is all to be on a voluntary basis, and there would—

Mr. TAFT. That is correct.

Now let me continue to read what Mr. Chapman said:

First, we would like very much—and it is not in the process of discussion with the industry—to work out as many voluntary factors as possible between the industry and the Government to see if we cannot relieve some of these pressure areas now.

We are hoping that these voluntary factors will in and of themselves answer this problem. But where you have a shortage of a commodity, as we have here, and the commodity is so basic to the whole industry of America, it is obviously most likely to affect the price. Therefore, we would have to move probably to the next level. If the first efforts did not prove successful, we would then have to move there to the next step, which would probably be allocations.

What he is saying is that first the voluntary procedure should be tried. What we are saying is, "Very well; while we are considering compulsory controls, we give you the power to proceed on this voluntary basis; and when we return at the next session, we will consider going further, if necessary."

Now let me read further:

Mr. CHAPMAN. We would immediately attempt, first, as I tried to explain, the voluntary efforts, to see if that would not meet the emergency. And we hope that they would.

He is the Under Secretary of the Interior, and he favors controls, but he is describing how he is going to start the system. He is going to start it entirely on a voluntary basis.

Mr. HAWKES. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. HAWKES. From what I have heard the Senator from Ohio say, he is simply taking the plan of these Government agencies at par. They say they want to try the controls on a voluntary basis, and hope and believe they will work. Is that correct?

Mr. TAFT. That is correct.

Mr. HAWKES. "The Senator is saying, 'If that be so, let us proceed along that line.' We believe it to be so. We believe that the difference between America and the rest of the world is that the United States of America is a voluntary-cooperation nation as compared with regimentation and dictatorship which has failed in Europe. Our people want to try the voluntary system before we go into any other system. Is that correct?"



Mr. TAFT. That is a correct statement. We do not care to grant over-all controls unless it is proved to be necessary, and if the administration officials think most of the work can be done on a voluntary basis, let them try that first, which is the proposal contained in the joint resolution, particularly because the whole question is a highly controversial one. If we got into the question of basic controls, we would debate it for 2 weeks, at least. It is impossible to consider that question at this session. But what is proposed is something for which the administration asked, something it seemed possible to grant, something which will enable them to get started probably a month earlier than they could otherwise get started. The pending measure was drawn with that purpose in view.

Mr. HAWKES. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. HAWKES. We are merely saying, "Acting on the spur of the moment, under pressure, we are going to take the first part of your suggestion and see if it will work; that is, see if what is desired can be done voluntarily."

Mr. TAFT. That is correct. Let me read what Secretary Harriman said about the necessity of the anti-trust-law provision. He said:

Secretary HARRIMAN. I think you have to put the controls on, sir, and work cooperatively and simultaneously—work to get full cooperation. The President has inaugurated a food-conservation program which is off to a good start. It will take some time, however, before its full effects will be felt. It is impossible, in terms of dealing with some of the cooperative action that I speak of, with industry, not to have at least the reserve powers which I described in order to make effective, in many cases, the desires of the majority of an industry, because it is necessary, in many cases, to get all of the members of industry to conform to the program, as otherwise those who wish to work cooperatively are unable to do so.

In addition, the inhibitions of our anti-trust laws frequently make it impossible for industry to sit down and discuss production and distribution questions without jeopardizing themselves and placing themselves in the position of possibly being accused of violation of our antitrust laws.

That is Secretary Harriman's statement. That explains very clearly the necessity for the clause which provides that they may be exempted. If, for instance, the steel companies agree that they will limit their supply of steel to some nonessential industry, if they sit down around the table and agree to that, the nonessential industry can bring a suit against them for triple damages tomorrow, under the Sherman Act. But if we exempt them from the effect of the antitrust laws, with the approval of the President only they can enter into such an agreement on allocation of priorities which have an injurious effect perhaps on some other industry—but only with the approval of the President.

Mr. COOPER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Kentucky.

Mr. COOPER. In support of the argument the Senator is making, I should like to say that in the hearings on the

proposal of Mr. Harriman testimony was heard on the voluntary allocation of steel for freight cars, the shortage of which constitutes, as everyone admits, one of the great bottlenecks. Testimony was presented from the Office of Defense Transportation that since January of this year two requests have been made of the steel industry for voluntary allocation for the manufacture of cars, one for 215,000 tons in the month of January and later for 250,000 tons, in July.

Mr. TAFT. For freight cars?

Mr. COOPER. Yes. The testimony was given that in each case the administration had the full cooperation of the steel industry. The witnesses for the Office of Defense Transportation went further and testified that one factor which had prevented greater success in the car-building program was the fear of the steel people that they would be subject to prosecution under the antitrust laws because of their voluntary agreements. They indicated an exemption from such antitrust provisions would bring about better results in voluntary agreement.

Second, I should like to say that in the testimony that was heard, several representatives from the various governmental departments stated that it would take at least 3 months to organize their departments and to organize agencies which could effectively administer compulsory controls, even if the Congress should adopt them today. For this reason it seems to me that voluntary agreements provide a method of securing action now, while more drastic methods are being considered.

Mr. TAFT. I agree with the Senator. Incidentally, it would take nearly 2 or 3 months to set up the machinery actually to undertake the control of inventory production. It took the War Production Board nearly 2 years to get around to what they considered effective controls.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. Under the language of the joint resolution, how long will it take the President to consult all the industrialists of the United States and get them together to enter into a voluntary agreement? How much longer would it take to set up some sort of machinery by which he might impose compulsory or mandatory allocations, than for him to consult them, under the language of the bill, and bring about the same result voluntarily?

Mr. TAFT. The President can go at only one thing at a time.

Mr. BARKLEY. It would take longer for him to cover the whole country in these consultations, and then have them make an agreement, than to set up some sort of machinery by which it might be done by some kind of mandatory regulation.

Mr. HAWKES. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from New Jersey.

Mr. HAWKES. I merely wish to bring to the attention of the Senator some of the conditions which were disclosed before the subcommittee of the Senate Committee on Interstate and Foreign

Commerce when it held hearings in connection with the shortage of coal and fuel oil. People are facing a shortage of these important commodities, particularly in the New England States, in New Jersey, Pennsylvania, and some points in the Midwest. Without the power the Senator from Ohio is asking, which would afford opportunity for conference and allocation, the situation in regard to fuel has become very difficult in the New England States. For instance, the Governor of Massachusetts testified before our committee a few days ago that there is a substantial surplus of coal in Massachusetts. The Governor of Maine testified that there is a substantial shortage, a very substantial and very aggravating shortage, in Maine. Representatives from New Jersey testified that in some places there is more fuel oil than is needed, and that in other places the supply is short, and some people must suffer.

My point is that the people of the United States, who are faced with the high cost of living, and with a shortage of fuel, and shortages of other important articles, do not want a lot of rigid laws to prevent them from having something to eat and something to keep them warm. I am sure they expect sufficient intelligence on the part of their representatives to see that such obstacles are waived temporarily, in the face of an emergency.

I merely wanted to say to the Senator from Ohio that that matter has come to my mind, and it seems very pertinent to the issue he is discussing.

Mr. TAFT. I thank the Senator.

Mr. ELLENDER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Louisiana.

Mr. ELLENDER. A moment ago I desired to interrupt the distinguished Senator when he was reading excerpts from some witness' testimony. I think that was prior to his reference to the testimony of Mr. Harriman. As I understood this witness' contention, it was that he was desirous, first, of making an effort to control inflation on a voluntary basis, and if that method did not work, then it was his intention to advocate controls. Is that what the Senator read?

Mr. TAFT. Not quite. All the witnesses asked for the power, which is the program of the administration; that is admitted. Other parts of their testimony indicate that they want the power to exist. They may think it will help them get voluntary control. All of them say, "We will first try to do it on a voluntary basis," and all we are trying to do here is to make it easy for them to go ahead and do it on a voluntary basis, while we are considering the question of whether there are particular fields to deal with.

I may say that this provision is not so much directed to the question of price control or inflation, but of clearing up bottlenecks, which will increase production; for instance, an agreement that will get a greater volume of nails, so that there will not be the hold-back on production of various kinds of things that require nails, particularly housing. It is an indirect effect on inflation that we are



dealing with in the question of allocations and priority controls.

Mr. ELLENDER. But if the voluntary method does not work, the Senator himself will advocate, in the near future, as I understand, methods by which it can be done legally and by force?

Mr. TAFT. In the field of allocation and priority control, yes. But I should like to do it in a particular case; that is, I do not want to grant general authority to do it. If the steel industry requires it done, then I would confine it to the steel industry. It might be that in the steel industry it could be limited, say, to the assignment of 10 percent of the total production for special purposes required. I am always in favor of limiting powers, and I think Congress ought to proceed along that line. The Price Control Act was full of provisions for voluntary agreements with industry, but the OPA entirely ignored them. For all practical purposes no such agreements were ever attempted to be made, because the OPA had the power to act without them, and they preferred to use the power. I suggest that it is better to provide first for a voluntary procedure which the department say they desire first to use, and then, if that fails, when we come back here we can take further action. One Senator asked me whether the statement of general policy, which is contained in the statement of the Republican Policy Committee, indicated that we might consider the rationing of meat, we will say. I said "Yes, a showing could be made probably that there was not any voluntary method by which consumer rationing could be brought about, and so if that was desired, probably express authority, would have to be granted." I do not know; but perhaps a voluntary method can be successful in an effort to reach 140,000,000 consumers. Therefore, the policy here is simply to make a start on the general question of allocation, with the idea that if it is impossible to do what is desired on a voluntary basis—I think it can be done in most cases voluntarily—then further action can be taken. In this measure itself there is one case in which we are already finding that it cannot be done on a voluntary basis, because I understand the branches of the industry cannot agree with each other, and so we are providing compulsory authority in the case of a limitation on grain for use in distilling. That is an instance in which apparently, after strenuous efforts, the Secretary is now about ready to make the statement that he cannot proceed on a voluntary basis. That is a typical instance showing the good faith of our profession that when voluntary controls break down we shall be prepared to face the question of compulsory control.

Mr. ELLENDER. In other words, Mr. President, I imagine the proposed voluntary method of inflation controls is to be used somewhat in the nature of a big stick, that unless it is done by big business on a voluntary basis, look out. Take heed. We are coming back in January.

Did the committee itself give any consideration at all to imposing a penalty as

to all signatories to an agreement who violate it, who fail to carry it out?

Mr. TAFT. No. I had not heard that suggestion made until the Senator made it.

Mr. ELLENDER. Would the Senator be opposed to such a provision?

Mr. TAFT. Does the Senator mean a provision that any man who violated such an agreement, approved by the President, should be prosecuted?

Mr. ELLENDER. Yes. That any signatory violating any of the provisions of the agreement should be punished in some manner.

Mr. TAFT. I should not object to that, if it were a willful violation.

Mr. ROBERTSON of Virginia. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ROBERTSON of Virginia. Does the Senator from Ohio think the voluntary program would be improved if we struck out the prohibition against an agreement to fix prices? The President, of course, would not approve an agreement to increase prices. What good purpose would be served by prohibiting his approving an agreement to lower prices, if the major suppliers of a given item were to get together and agree, "We are going to cut down the prices; we will stick together to cut them down?" Why could not those three or four words constituting the prohibition be eliminated?

Mr. TAFT. We considered at some length, originally, with the House, the question of whether a voluntary agreement should extend to the question of price. After long consideration we thought it should not. That would be in effect going back to the days of the NIRA. If an effort is to be made to affect price at all, my inclination is to think it should be by a compulsory control. I do not like to return to something similar to the NIRA, which I do not think worked successfully. I think, in that field, it may well get to a point where industry has too much to say about fixing prices. It is our theory that either the price system is right and will itself correct inequities, or the Government should be allowed to regulate it. If the price system is right, we had better let it operate free from the controls of industry, as well as free from the controls of the Government, or of Government and industry jointly. I think that the moment we try to authorize an agreement respecting prices, we run into a much greater violation of the spirit of the antitrust laws. I think it would be a mistake to go into the question of voluntary agreements to fix prices, even if it were in order to obtain lower prices.

Mr. ROBERTSON of Virginia. Is it not true that we face a situation which is just the opposite of what was faced in 1934? The NIRA agreements were to raise prices; they were to take care not only of the efficient operator, but the inefficient operator. It was the vice of the NIRA that an agreement was made that would take care of a reasonable profit for the inefficient operator. The essence of inflation is that prices are rising too high. All the proposals for legislation in the Senate I assume are aimed at keep-

ing prices from going higher and perhaps at finding some way of bringing them down again.

Mr. TAFT. I think the major issue of price control will have to be debated by the Senate at some length, with a considerable reference to whether prices are too high, and to a determination of what prices are too high. That cannot be done at the special session. I do not like, even by voluntary agreement, to go into the question of giving people the power to fix prices, or of giving it jointly to Government and industry. That itself is, I think, open to serious question. I am willing to admit that the question is open to debate.

Mr. ROBERTSON of Virginia. I am wondering what would be accomplished under a voluntary agreement with respect to prices, if it were an agreement to lower prices. What could be agreed upon that would help keep prices down?

Mr. TAFT. It might be an agreement for the allocation of goods, the effect of which might be to increase production in such a way as to bring prices down. After all, the whole price question in its ultimate analysis is one of supply and demand. It is a question of whether there are sufficient goods, or of whether the supply of goods is greater than the demand. If the supply can be increased sufficiently, it will solve the price question.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PEPPER. I think the Congress and the country appreciate any step toward meeting this very serious situation, but I think the country is going to be disappointed in the probable effectiveness of the program the Senator from Ohio is now outlining. The Senator has said that he has made this moderate, modest, and reasonable approach because it seemed nothing else could be accomplished at the special session. I was going to suggest two things that I thought might very well have been put into the bill, and it could be adopted in that language as well as it could be adopted in its present form, if it is to be adopted at all. The first is, the Senator from Ohio says, "Let us try moderate proposals; let us see if they work." The Senator seems to overlook the fact that we are dealing with a fire that is growing more intense and spreading farther all the time. It is already a conflagration, and if we allow more and more time, the danger and the menace become all the greater to the American people. Now to stop that inflation, if the Senator wants to provide a fair opportunity for voluntary control to work, why not freeze all prices and all wages and everything else at a given level, and prevent them from going higher during the period of experimentation which the Senator from Ohio contemplates? That could be done. There could also be immediately set up, by the bill, an equalization authority which would have immediate power, once the freeze went into effect, to permit raising of prices or wages in particular instances where it might be found to be proper. In that way we could at least



stop the acceleration of price increases. We could provide authority for immediate adjustments, because raises upward can always be made, simply by giving authority to someone to make upward raises. It seems to me that in that way we could at least stop the spread of the conflagration, and achieve some kind of stabilization, even though it had to be upon a higher level.

The alternative action that might be taken, it seems to me, if the program were intended to be most effective, would be to give to the President authority to fix prices in certain selective fields, either by forcing concurrence in a so-called voluntary agreement, or by prescribing what is a fair price, and simply to order that price put into effect, at least in the selective fields, in the case of steel, for example, and in the case of certain other commodities which might be regarded as key commodities. But if we continue without one of the emergency measures being adopted by the Congress in the present session it simply means more time will pass and the situation will become far worse, and we shall still be tinkering with some sort of questionable procedure.

Mr. TAFT. Mr. President, I do not desire to enter into a general debate on the subject of price control. I think I am quite prepared to answer the Senator, and to answer him at great length. What I am trying to do here is to go as far as we can without that kind of discussion. The Senator proposes, because it is a very simple thing to do: "Do not permit prices to go up. Simply fix them." In the first place, such a procedure will not work. The taking of such a step will not keep prices from going up in peacetime. In the second place, if such a procedure did work it would increase demand and decrease supply, instead of the opposite. It is not a proper and fundamental method of meeting the causes of inflation. There are four or five other things that ought to be done. We cannot hope to continue the causes and the policies that create inflation and then arbitrarily prevent their operation by fixing prices. I do not think any such thing can be done. As I said, I do not want to enter into that general discussion at the present time, because I think the committee will give full consideration to that question and will make a report, and it should do so at the earliest possible time after the return of Congress in January.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I was very much interested in the inquiry propounded by the junior Senator from Virginia [Mr. ROBERTSON], because when I read the provisions of the bill authorizing agreements, authorizing the President to consult industry in order to make agreements, I was somewhat surprised to find a provision at the end of one of the paragraphs prohibiting any agreement or prohibiting the President from approving any agreement to fix prices.

What we are all talking about now and what the country is thinking about is prices. The average man may not understand all the ramifications of inflation. He may not know the technical definition

of inflation. He may not know just how it comes about. Every man and every housewife knows when prices go up. They know how to compare prices at this time with those which prevailed a year ago or 2 years ago or 5 years ago. So it seems to me the committee has gone out of its way to say to the President and to industry, "You may agree on everything; you may come before the country with an agreement in regard to everything; but do not touch the sacred precinct of prices, because if you do the President is prohibited from approving any such agreement."

Mr. TAFT. I wish to make a suggestion to the Senator from Kentucky. The moment an agreement with respect to prices is made, whether it provides for lower prices or not, that agreed price becomes the price in the industry. That agreement fixes the price. It eliminates the whole element of competition.

Mr. BARKLEY. Not necessarily.

Mr. TAFT. Yes; in effect it does. The moment an agreement is entered into with respect to price it fixes a price, even though it is a maximum price.

Mr. BARKLEY. The Senator knows that one industry, or one component part of the industry, hesitates to take the initiative in regard to reducing its own prices. Very naturally it will say, "Everyone else is getting this high price. Why should we voluntarily reduce ours?" So there will be no voluntary reduction in prices unless the industry engaged in the production of certain commodities agrees upon it.

The Senator has said that no matter how much an industry might justify co-operative action in the reduction of prices, the President cannot approve such an agreement as that, and the members of an industry cannot enter into it. It seems to me that such a prohibition is wholly unnecessary, and that industry and the President, according to the theory of the bill, ought to be left free to determine what sort of agreements are to be made, if action is to be on a purely voluntary basis, which frankly I do not think would be very effective.

Mr. TAFT. My feeling is very strong that we want to keep competition alive. The moment we permit the members of an industry to get together and fix a price, even though it is a maximum price, it becomes the minimum price, and competition therefore is eliminated in that particular industry. I do not think it is true that people do not reduce prices because others are not reducing them. Many people have reduced prices without waiting for other members of the industry to do so. What we must bring about is an increase in the supply and a decrease in demand, which will make competition operate to force people to reduce prices. My own belief is that a voluntary agreement about prices in effect fixes the prices and removes competition, and in the end will do more harm to the cause of low prices than good.

Mr. BARKLEY. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. BARKLEY. I should like to discuss for a moment the Senator's other

proposition respecting the voluntary features of the bill, with a sort of a big stick held behind the congressional control, that "if you do not behave under the voluntary system we will come in and take the stick from behind the door and use it." Is it the Senator's viewpoint that, if the voluntary system is tried out, and if Congress then discovers that in the steel industry the plan does not work satisfactorily, therefore a bill should be passed providing for compulsory imposition of controls, or allocations, or priorities in the steel business; then a month or two later, if we find that the voluntary system had not worked in the meat industry another bill should be brought before Congress which would accomplish the same purpose, and so on ad infinitum? That would simply be like Congress, by legislation, trying to fix railroad rates one at a time. Especially would that be true if Congress were not in session for the period, under the Reorganization Act, from July until January. Then whenever it was discovered that the voluntary arrangement had not worked Congress would have to be called back into extra session to pass another law providing compulsory controls in some particular fields. It seems to me the Senator's position in that respect is subject to the charge that it is a most tenuous sort of treatment of the whole subject over a long period of time by dealing one at a time or two or three at a time with the proposals in regard to compulsory allocations.

Mr. TAFT. So far as allocation and inventory controls are concerned, I may say that the representatives of the Government have been wholly unable to point out more than one or two industries in which they think they are needed. Why on earth should we give power over a thousand industries in order to meet the Government's request with respect to one or two industries? I think we ought to ask the representatives of the Government, "Why do you want to control steel? Why do you want to control this other commodity? What are the problems?" If there are a number of problems, they can all be lumped together and provided for in one bill. I do not care about one bill at a time being considered. But it seems to me that before we impose this kind of control on any industry someone ought to come before Congress and say why it is necessary, and what kind of plan cannot be carried out voluntarily. Today there is no such evidence respecting allocation or inventory control before Congress. Mr. Harriman cited a few instances, mostly in the steel field and in the distilling field. Outside of that I know of no case where anything can be accomplished by the control of allocation and inventory.

Mr. President, on this general subject I invite attention to section 7 of the bill prepared by Secretary Harriman and sent here for introduction. Section 7 provides as follows:

SEC. 7. (a) Whenever a governmental officer or agency which is authorized to and could exercise mandatory powers and to impose mandatory controls with respect to a given material, commodity, or facility, under this act, determines that a plan of voluntary action with respect to such material, com-



modity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act and would make unnecessary an exercise of the mandatory power conferred thereby with respect to such material, commodity, or facility, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act.

In the first place, Secretary Harri-man's bill very clearly implies that he thinks a plan of voluntary action may be successful and may make unnecessary the exercise of any mandatory power; and if that is so there ought to be exemption from the operation of the antitrust laws. What we are doing is exactly the same thing. If there is objection to the particular language used in this measure to accomplish that purpose I am perfectly willing to consider an amendment along the line of the Secretary's bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. That language is coupled with language of the bill which the Senator did not read, giving the President authority to bring about mandatory allocations.

Mr. TAFT. That is correct. The Harri-man bill contains both proposals.

Mr. BARKLEY. So it is a combination of the voluntary and the mandatory. It seems to me that that is a wise alternative. With the power to allocate, provide priorities, and so forth, if the President or the department which would be designated under the act to enforce the law should find that the voluntary system was workable and practicable, authority could be granted to institute it. But in the event that it was not workable and did not succeed, they would have this mandatory power, which is granted in the proposed bill, which would not make it necessary for them to come back to Congress every time they found a failure in the voluntary system.

Mr. TAFT. I quite agree that the proposed bill covers both.

Let me point out that the price-control bill does not contain any voluntary authority. It does not contain any right to obtain exemptions from the operations of the Sherman antitrust law. So the administration has made exactly the same distinction we are making in this measure between voluntary agreements dealing with allocations and priority and voluntary agreements dealing with prices.

Mr. BARKLEY. That would indicate that the proposal so far as prices are concerned is in harmony with the Senator's viewpoint that when it comes to prices there must be compulsory action or none at all.

Mr. TAFT. That is my general theory.

Mr. President, there is one further question. I referred to the provision in the joint resolution which limits the use of grain for the production of distilled

spirits for beverage purposes. The committee amendment reads as follows:

(b) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, is hereby revived and reenacted for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of grain for the production of distilled spirits for beverage purposes. The authority granted by this subsection shall expire on January 31, 1948.

That merely confers the power to limit the use of grain in distilling.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. Let me complete the historical statement.

As I understand, a voluntary agreement was reached, in which all distilling of grain was stopped for a period of perhaps 60 days, which agreement expires on the 25th of December. After that, distilling will be wide open, and distillers may use a very large amount of grain, although there is a very large amount of distilled spirits and whisky already in storage. I believe that today the Secretary of Agriculture is trying to reach an agreement to extend that arrangement, at least in some limited form. There is a substantial difference of opinion in the industry. Some members of the industry want either a complete shut-down or completely wide-open operation. The other part of the industry wants to operate on a restricted basis, the restriction to be based, perhaps, on the historical manufacture of whisky or distilled spirits for beverage purposes. It seems to be impossible to reconcile that difference. The Secretary told me yesterday that he thought a resolution should be prepared in case these negotiations should fail. If we do not do anything before we leave here, we shall be up against the situation of a large amount of grain being used between the 25th of December and the time we return and are able to take action.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. We are all familiar with what happened in regard to the restriction of the use of grain in the production of alcoholic beverages. There were many conferences between the Secretary of Agriculture and the distilling interests prior to the lifting of all restrictions as to the use of grain. Finally—I think it was last September—the restriction was entirely removed. The amount of grain used per month during that period of 9 or 10 months by the entire distilling industry was about 4,500,000 bushels. When the food-shortage situation developed and became acute, a voluntary agreement was sought with the distilling industry to shut down for 2 months, which was done. That did not include the producers of what is called neutral spirits. Neutral spirits is an alcohol used in the blending of whisky by blenders. They take about 75 percent neutral spirits and add 25 percent of real liquor, put some coloring agent in it, and make it look like the real article. That arrangement did not apply to the producers of neu-

tral spirits, and, as a result, during the 2 months in which the distilling interests were shut down with a view of saving grain for food, one concern in the United States which produces neutral spirits consumed 8,000,000 bushels of grain in the production of neutral spirits, which was twice as much as was consumed each month by the entire distilling industry, and was as much as would have been consumed by the entire industry during the months of October, November, and December. That production of neutral spirits was sold to those who blend it with whisky and make a blended product.

Whatever is done in regard to regulation, whatever is done in regard to the law, ought not to make it possible for one institution to profit by the sacrifice made by others who, either voluntarily or by compulsion, restrict or reduce or completely eliminate the production of liquor while one concern which can sell a product to those who do not make it, but blend it, is enabled to reap a windfall because of the law or regulation. That is what happened during the 2 months of voluntary operation.

Mr. TAFT. That certainly is not the intention. I should suppose that the neutral spirits to which the Senator refers would be covered by the term "distilled spirits for beverage purposes."

Mr. BARKLEY. It is not drinkable as a beverage while in the form of neutral spirits. It has to be blended with something else.

Mr. TAFT. I shall be glad to accept any amendment which the Senator wishes to offer in that regard.

Mr. BARKLEY. I want to be sure the amendment covers the point. I am sure it was not intended on the part of the Department of Agriculture that the Government should cut down the consumption of grain by the historic or legitimate distillers of liquor while at the same time a producer of alcohol which could be blended with a certain proportion of liquor could double or quadruple his profits.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. It is my understanding that if there are no restrictions at all placed upon the distilling industry, the use of grain for the manufacture of alcohol may and probably will reach as high a point as 10,000,000 bushels a month after the voluntary agreement shall expire. I am told they will attempt to reach a voluntary agreement today, but I think that appears very doubtful.

Mr. BARKLEY. If I may interrupt, I will say that I do not know the basis for the statement as to 10,000,000 bushels a month.

Mr. AIKEN. I believe that was the testimony.

Mr. BARKLEY. During a period of 9 or 10 years when there was no restriction at all they used an average of four and a half million bushels a month.

Mr. AIKEN. I believe that testimony came from the Department of Agriculture and was given before one of the committees.



Mr. BARKLEY. I do not know how accurate it is. But there is another question in connection with it. I do not know how much grain is used by the brewing industry in the making of beer, but it is a considerable amount. Does the Senator from Ohio have any information as to that?

Mr. TAFT. No.

Mr. BARKLEY. Does the Senator know whether there would be a saving of grain in connection with that?

Mr. TAFT. I am not advised. I do not have the information. I think that beer cannot be manufactured and stored practically; it has to be produced for current consumption.

Mr. BARKLEY. The result of this restriction has been to the infinite damage of the old-time historical producers of whisky. I happen to know that, because my State is a large producer of that commodity and, as a matter of current information, it is part of my duty to keep advised with respect to it. But it so worked out that many of the small producers have either been compelled to go out of business or to sell out to the large aggregations which apparently are trying to consolidate and control the entire production of that commodity in the United States.

Mr. TAFT. I think the Senator will find that the Secretary of Agriculture is fully in sympathy with the distillers to whom the Senator has been referring. I am certain that they will get a fair deal from him, judging from the way he discussed the matter with me.

Mr. BARKLEY. He understands the problem and sympathizes with their situation. He understands the circumstances under which many smaller producers have been compelled to operate over a period of years. I do not know of any loopholes by which there can be an escape by those who take advantage of the sacrifice made by the legitimate producers by increasing their own profits and thereby nullifying the effort to save grain for food purposes.

Mr. TAFT. I think the words "including neutral spirits" would cover the Senator's point.

Mr. AIKEN. Will the Senator yield further?

Mr. TAFT. I yield.

Mr. AIKEN. I had not completed my statement. If a voluntary agreement by the trade is reached with Secretary Anderson, no injury will be done anyone by enacting this provision of the bill which gives the Secretary the right to allocate grain for the next 6 weeks. If no voluntary agreement is reached by the trade today, then this provision will be necessary in order to save at least the use of several million bushels of grain, regardless of how much of it would otherwise go into the manufacture of alcohol instead of into food.

I have received a protest against this provision, presumably from the same company to which the Senator from Kentucky has referred, which manufactures neutral spirits. I have also received communications from many other distillers supporting the provision because they feel that while they are willing to comply with the request for a voluntary agree-

ment they want to be sure that those who are less willing do not have any unfair advantage over them while they may be shut down.

Mr. BARKLEY. I hope that their conversion to the doctrine of fairness is permanent, although very recent. I have in mind a company—I do not wish to call names—which has been named in public. I almost named it then.

Mr. AIKEN. As a matter of fact, some of them do not want to continue using grain for the manufacture of alcohol in the face of public opinion which is against it.

Mr. BARKLEY. Whatever regulation or restriction may be put into effect should apply to all of them alike.

Mr. AIKEN. That is correct.

Mr. BARKLEY. And it ought not to be possible to circumvent the regulation by permitting the selling of something to others which would not be permitted if it were covered in the law.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the junior Senator from Kentucky.

Mr. COOPER. So far as my own position is concerned, I believe that today when a shortage of grain is affecting prices, savings of grain must be made in those places where they can be made with as little damage to the economy of the Nation as is possible. For that reason I know that savings of grain must be made in the field of production of distilled spirits and in my own opinion they should be made in this field.

However, in following up what the senior Senator from Kentucky has said, I believe there is nothing in the provision of the pending bill now being considered which if it should be passed would prevent any equitable allocation. The investigation which I have made leads to the conclusion that if this measure should become law it will be to allocate grain solely in the discretion of the Secretary of Agriculture. If he acts upon the basis of capacity of plants rather than upon the historical basis, then it will be a discrimination against the historic producers, as the Senator has suggested. If he acts upon the basis of capacity it will favor those who have not been in the industry for the purpose of manufacturing beverages but for the purpose of manufacturing industrial alcohol. I think if this measure shall become law it will effect a great saving, if the Secretary of Agriculture shall make his decision upon the historical basis rather than upon the basis of plant capacity.

Mr. BARKLEY. If my colleague will permit me, I appreciate his observations and agree entirely with his statement. I am not seeking to have this provision eliminated, if the language is sufficiently broad to include the point to which I made reference a while ago. The Secretary of Agriculture and the representatives of distillers are conferring today. I do not know what the result will be; but if such an agreement be entered into and grain be allocated on the basis of present capacity, there is one company in this country which would use three-fourths of all the grain available. It is

a company which took over a Government plant which was built during the war for the production of industrial alcohol for war purposes. It is obvious that that particular plant has enough capacity to produce sufficient to equal that which would be produced by forty or fifty of the smaller operators in the United States. Of course that would be an obviously unfair distribution. I think the Secretary realizes that. The voluntary shutdown to which I referred a while ago has resulted in that one concern being able to use twice as much grain as all of them would have used in any 1 month and equal approximately to what they would have used during the 2 months of the shutdown.

Mr. COOPER. Mr. President, will the Senator yield once more?

Mr. TAFT. I yield.

Mr. COOPER. It is my information that when the shutdown occurred the one concern to which the Senator refers and which manufactures neutral spirits doubled the price of the neutral spirits.

Mr. BARKLEY. They quadrupled their production, doubled the price, and sold neutral spirits to the blenders who sold their product in competition with those who were shut down for patriotic reasons in order to effectuate food conservation. It is against that sort of thing that I hope we shall be able to guard.

Mr. TAFT. I should like to conclude my statement. I have covered the bill. In summing up the whole matter, when we get through we shall have dealt with 6 of the President's 10 points. One of them has been dropped, except on a voluntary basis. We deal with only half of one of them, because we do not deal with the creation of inflationary bank credit. As to one of them, we grant only voluntary power, under allocation and inventory control, instead of compulsory power.

In effect, we deal with everything the President has proposed, except compulsory power, the reinstallation of the war powers of the Government to regulate allocation, inventory control, the rationing of commodities, and the control of prices. The main question—namely, whether in attempting to solve this problem we shall turn back to a policy of compulsion, or whether we shall attempt to use other means that get at the causes of inflation—is left for consideration at the next session of Congress.

If we pass this joint resolution, I think we shall have cleared away all of what may be called the incidental and minor features, and we shall confront the basic question when the next session begins.

I have stated my belief that we cannot solve this problem by means of controls, and that we have inflation because of tremendous governmental expenditures and taxes that ultimately go into prices, because of the Government's program of making large purchases of commodities for export to foreign countries, because of a steadily increasing amount of bank loans at the rate of \$5,000,000,000 a year, and because of a steadily increasing housing credit at the rate of \$5,000,000,000 a year. Each one of the policies thus tending to produce inflation has



much to be said for it; but we cannot have everything we want at the same time in the full amount in which we have them, and still hope that we can avoid the dangerous result—inflation—or the high prices which come from it, and still try to do more than the country can possibly do at one single time.

When we reach that question, we shall debate it. All I say today is that the policy of seeking the solution of this situation by imposing Government controls is a policy which I think has failed in every foreign country in which it has been tried in time of peace, for it has decreased production, instead of increased it, and has made the decrease of production all the more permanent because of the action which must be taken when controls are removed. So that problem will face us at the next session of Congress. In my opinion, we cannot act on it now; I think we must postpone action on it, unless we are prepared to remain here all during the Christmas holidays. But at this time I think we should act on the matters on which we stand in agreement, in working on the problem of prices, which today is so serious.

Mr. BARKLEY. Mr. President, the Senator from Ohio agreed earlier that we might suspend consideration of this measure for a while, in order that we might perfect some amendments that we were considering offering.

Mr. TAFT. That is entirely satisfactory to me.

Mr. BARKLEY. I should be glad to have the Senator move to suspend the consideration of this measure until 3 o'clock. I understand that there is another measure which is to be taken up in the meantime.

#### TEMPORARY REGULATION OF CONSUMER CREDIT

Mr. TAFT. Mr. President, at the request of the Senator from Kentucky, I move that the consideration of the pending joint resolution be temporarily laid aside, and that the Senate proceed to the consideration of Senate Joint Resolution 157, Calendar No. 830, providing for the regulation of consumer credit for a temporary period.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to; and the Senate proceeded to the consideration of the joint resolution (S. J. Res. 157) to provide for the regulation of consumer credit for a temporary period, which had been reported from the Committee on Banking and Currency with amendments.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Cain	Eastland
Baldwin	Capehart	Eaton
Ball	Capper	Ellender
Barkley	Chavez	Ferguson
Bricker	Connally	Flanders
Bridges	Cooper	Fulbright
Brooks	Cordon	George
Byrnes	Donnell	Green
Butler	Downey	Gurney
Byrd	Dworshak	Hatch

Hawkes	McGrath	Russell
Hayden	McKellar	Saltonstall
Hickenlooper	McMahon	Smith
Hill	Magnuson	Sparkman
Hoey	Martin	Stennis
Holland	Maybank	Taft
Ives	Millikin	Taylor
Jenner	Moore	Thomas, Okla.
Johnson, Colo.	Murray	Thomas, Utah
Johnston, S. C.	Myers	Tobey
Kem	O'Connor	Umstead
Kilgore	O'Daniel	Vandenberg
Knowland	O'Mahoney	Watkins
Langer	Overton	White
Lodge	Pepper	Wiley
McCarran	Reed	Williams
McCarthy	Revercomb	Wilson
McClellan	Robertson, Va.	Young
McFarland	Robertson, Wyo.	

The PRESIDING OFFICER (Mr. LODGE in the chair). Eighty-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the first amendment of the committee to Senate Joint Resolution 157, to provide for the regulation of consumer credit for a temporary period. The amendment will be stated.

The CHIEF CLERK. On page 1, line 7, it is proposed to strike out "June 30, 1948" and to insert "March 15, 1949."

Mr. TOBEY. Mr. President, the pending joint resolution is one of the pieces of legislation asked for by the President in the 10 points which he set forth in his special message to the Congress at the opening of the special session. The Banking and Currency Committee of the Senate has been considering the measure, and has reported it to the Senate. We held extensive hearings on it. We had before us such men as the Governor of the Federal Reserve Board, Mr. Eccles, Mr. Sproul, president of the Federal Reserve Bank of New York, and many other authorities.

There is a difference of opinion as to the wisdom of the proposed legislation. Personally, I am strongly for it. In effect, the joint resolution seeks to put back into force regulation W, so-called, which was in the hands of the Federal Reserve Board for administration up to November 1 of this year. It then expired.

The matter of consumer-installment credit now represents in volume about \$2,500,000,000. It is a volatile thing. It can expand and mushroom very rapidly.

The testimony, in the form of exhibits affecting leading retail stores in this city, in Chicago, and in other cities, shows that they are publishing full page advertisements, soliciting the buying public to come in and buy radios, expensive phonographs, radio combinations, television machines, clothing, lamps, and so forth, and in large type at the bottom this is found:

Come in and buy. No money down.

There is the invitation. There is the power of suggestion. So men and women are tempted, in these lush times, so to speak, to take advantage of the free credit thus afforded and become involved in an indebtedness which, when and if we enter upon a period of depression and recession—which, please God, may not happen—will constitute a millstone around their necks.

We have seen an advertisement—

Come in and buy clothing for yourself and family on 30 days' time. Nothing down. Two electric lamps will be given free to any purchaser of \$30 worth of clothing.

I have heretofore said facetiously, and now I repeat, that the day may come in America when we will find retailers offering a \$10 bill to anyone who will cross the threshold of their stores.

What we seek by the pending measure is to give back to the Federal Reserve Board flexible power, in their own discretion, to apply the controls as they see best to limit installment credit buying. They did have the power before November 1 which expired, so today we would, by this legislation, restore the powers, but limited to such things as automobiles, clothing, phonographs, and radios, and other consumer goods, but not to charge accounts, which were covered before November 1.

I have in my hand some charts prepared by the Federal Reserve Board showing that the total consumer credit of this country today is slightly less than \$12,000,000,000, while the total installment credit is a little less than \$6,000,000,000. The total installment credit is made up of two factors, installment sale credits and installment loans. The legislation we seek to have enacted today would cover not only purchasers, but retailers. It would cover anyone who went into a bank or lending agency to borrow money—\$500, for illustration—to be paid back in monthly installments, according to the privileges accorded by the lending agency.

There comes a time in the course of human economy when we have to save people from themselves, and I believe in the uncertain era in which we are now living, when we are tried and worried about the future, there comes a time to set up some barriers, some restrictions on unlimited credit, and that the present is the time to do it.

I may add that the committee reported the joint resolution favorably by a vote of 9 to 4, and it is now before the Senate for consideration. There are other Senators who wish to speak upon it. I shall be glad to answer any questions I can. I now take my seat and relinquish the floor.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. TOBEY. The first committee amendment is, on page 1, line 7, to strike out "June 30, 1948", and insert "March 15, 1949."

Mr. BUTLER. Mr. President, I should like to address a question to the chairman of the Committee on Banking and Currency. I have, as he knows, and as everyone else knows, the greatest esteem for his ability and his authority to speak on the question of credit. I do not want the Senator to think that because I am questioning, I do not appreciate the importance of credit in our economy, but we are here dealing entirely with domestic credit. The total amount that has just been stated is not really a terrific amount, but it apparently does affect our domestic economy, otherwise we should not have before us the pending joint resolution. My question is, Does the Senator think that the extension of credit to foreign buyers has the same direct effect on inflationary spirals here as the extension of domestic credit?



Mr. TOBEY. I think the extension of credit on an undue basis, or on a too-liberal basis, has an effect on inflationary forces beyond question, whether it be foreign credit or domestic credit.

Mr. BRICKER. Mr. President, I voted against regulation W in the committee. I think we ought to look squarely at regulation W both as to its provisions and as to its effect on our economy. I approach it from the point of view of some very simple fundamentals. There is no real merit in Government controls merely for the sake of giving more power to a department of Government. There certainly is no merit worthy of our consideration in imposing the power of Government or of a bureau of the Government upon one segment of our society, unless such imposition of power is in the general interest.

Certainly the Congress does not want at this session, in the name of controlling inflation, to impose the power of Government on the very segment of our society which is most unable to fight back and impress its opinion upon our consideration.

Let us review for a moment what regulation W is, how it comes before the Congress, and the misinformation which has been given to the public, all of which, I am afraid, may lead the Congress into making a mere political gesture. The President in his message to the Congress said:

Consumer credit is increasing at a disturbing rate. The amount outstanding has risen from \$6,500,000,000 in 1945 to more than \$11,000,000,000 today. Even more rapid expansion is under way now because the controls on consumer credit exercised by the Federal Reserve System expired November 1. These credit controls should be restored.

The very first recommendation of the President in his summary was:

To restore consumer credit controls and to restrain the creation of inflationary bank credit.

Then, in the testimony of Secretary Snyder before the Joint Committee on Economic Report, he referred to the President's recommendation in the following language:

As to item one, restoration of consumer credit controls and restraint on inflationary bank credit, these matters have been discussed by Federal Reserve officials. As to consumer credit controls, I am in favor of their restoration.

The most effective types of credit control are those which strike at the individual forms of credit extension which are contributing to inflationary pressures. The most important single form of such credit extension at the present time is in consumer credit.

Let me emphasize that statement by Secretary Snyder. He continues:

Total consumer credit outstanding at the end of September reached an all-time peak of \$11,400,000,000. At the end of 1945, it amounted to only \$6,600,000,000. Prior to December 1946, total consumer loans outstanding at any one time had never reached the \$10,000,000,000 level.

After that statement of the President and the statement of Secretary Snyder, the radio was filled with announcements that regulation W would affect \$11,500,000,000 of consumer credit in our

country, and, therefore, it would have an appreciable effect upon the inflationary trend of prices. That, Mr. President, is not the fact.

Chairman Eccles, of the Federal Reserve Board, came before the Committee on Banking and Currency and recommended restoration of regulation W, limited to the control of consumer credit buying. Regulation W was first imposed on our economy about 3 months before Pearl Harbor. It was imposed for the purpose of forcing a conversion of our domestic production to a war production program. After Pearl Harbor, of course, it was not necessary, because of the impetus of war, which made that transition a necessity, and it needed no encouragement from law. The very fact that there was no production during that period limited per se the increase of consumer credit buying throughout the country, because there was very little to buy.

Regulation W has gone through several amendments and changes. The last amendment was in December 1946, when the Federal Reserve Board removed certain of the controls. Regulation W as it is now before the Senate in the pending joint resolution, and as it was requested by Chairman Eccles and the members of the Federal Reserve Board, covers automobiles, refrigerators, cooking stoves and ranges, washing machines, ironers, dishwashers, air conditioners, radios, phonographs, sewing machines, suction cleaners, furniture, and carpets. I say that practically all those are utensils and things used in the home.

Reference was made a moment ago by the distinguished chairman of the committee to the fact that advertisements have appeared in the newspapers offering unusual inducements to people to come into the stores to purchase radios for instance, with nothing down and a dollar when they catch the purchaser. I do not know of anything that is more encouraging under our economy than the fact that we see such advertisements in the newspapers. There is only one way to force down prices without a debacle, and that is by adequate production of the things people want to buy and which they now have the money to buy. So the fact that we see advertisements in the newspapers showing that there is plenty of merchandise on the shelves of the stores is an indication to me that production is catching up with demand.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. TOBEY. The Senator made the statement that it is an indication of a healthy condition when industry makes goods and the people have money to buy them. I quite agree. But the case we are considering is that of those who are catering to people who have no money with which to buy. They take the goods which are offered to them on deferred payments, walk home with the goods, and thus go into debt. With respect to those who have money with which to buy merchandise, what the Senator suggests is sound economy, but the danger signal is raised when those who have no

money with which to pay cash, buy goods on credit, paying nothing down, and then take the goods home from the store, and go into debt for those goods.

Mr. BRICKER. I do not think the purpose of the bill, as considered by our committee, was to discourage purchases by the man who has money with which to make them. The purpose was to put a brake on the inflationary trend, upon increase in prices. Nor was it the purpose to discourage a man from using his credit to buy a radio, a cooking stove, a carpet for his floor or anything in the durable goods line. If any such purpose exists, then I shall approach the matter from the point of view as to whether or not it is the purpose of the Government to say to a man "You shall not buy what you want to buy and what you have money or credit to buy."

Mr. TOBEY. Does the Senator agree that according to all indices production is leveling off in many lines in this country?

Mr. BRICKER. That is most encouraging.

Mr. TOBEY. And that a further addition to purchasing power resulting from an unchecked expansion in bank lending will therefore add to the upward pressure on prices without offsetting increases in volume of salable goods? And that a further increase in installment credit and the free disposition thereof will not result in increasing production at all?

Mr. BRICKER. On the other hand, I do not think an increase in installment buying will decrease production. Production is encouraged by letting people buy the products. If we shut off the market for durable goods even to the limited degree here proposed—and I contend that it is a very limited degree—we discourage production. Before our committee came the representative of the Suction Sweeper Co., for instance.

Mr. TOBEY. Yes; I remember, of the Hoover Co.

Mr. BRICKER. And of the radio companies. They said "If we cannot have this available market for the purchase of our products the result will be that the shelves will be overstocked. There will be a crowding back to the manufacturer, there will be unemployment, and there might be a downward trend that would be more disastrous than any danger of consumer credit purchase."

Mr. TOBEY. But the sound distinction in all installment buying consideration should be that when the initial purchase takes place, the purchaser should thereby create an equity which is a sound, substantial equity, and then by subsequent payments maintain that equity as an equity when reverses come. But under the procedure which we seek to correct there is no equity created at all. Merely a debt is created, and that debt becomes a millstone around the neck of the buyer on installment credit, and if a depression should come, that millstone would drag him down. Then the circle would be complete, and he would be sunk.

Mr. BRICKER. Again it is a question whether the purpose is to control inflation, or to prevent some individual



The next amendment was, on page 2, after line 5, to insert:

All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdiction and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of consumer installment credit controls as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that act, and the Board shall have the same powers in the exercise of such consumer installment credit controls as the Commission now has under the said sections.

The amendment was agreed to.

The PRESIDENT pro tempore. That completes the committee amendments. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to provide for the regulation of consumer installment credit for a temporary period."

The joint resolution (S. J. Res. 157), as passed, is as follows:

*Resolved, etc.,* That in order to protect the Nation's monetary, banking, and credit structure, and interstate and foreign commerce, against increased inflationary pressures, the Board of Governors of the Federal Reserve System are authorized, up to and including March 15, 1949, to exercise consumer-credit controls in accordance with and to carry out the purposes of Executive Order No. 8843 (August 9, 1941) insofar as it relates to installment credit; and no such consumer installment credit controls shall be exercised after such date except in time of war which begins after the date of enactment of this joint resolution.

All the present provisions of sections 21 and 27 of the Securities Exchange Act of 1934, as amended (relating to investigations, injunctions, jurisdiction, and other matters), shall be as fully applicable with respect to the exercise by the Board of Governors of consumer installment credit controls as they are now applicable with respect to the exercise by the Securities and Exchange Commission of its functions under that act, and the Board shall have the same powers in the exercise of such consumer installment credit controls as the Commission now has under the said sections.

Sec. 2. Public Law 386, Eightieth Congress (terminating consumer-credit controls after November 1, 1947), is hereby repealed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1770) to amend the National Housing Act, as amended.

#### AMENDMENT OF NATIONAL HOUSING ACT—CONFERENCE REPORT

Mr. TOBEY. Mr. President, I submit a conference report on Senate bill 1770, to amend the National Housing Act, as amended.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1770) to amend the National Housing Act, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

CHAS. W. TOBEY,  
DOUGLASS BUCK,  
By C. W. Tobey,  
HOMER E. CAPEHART,  
By C. W. Tobey,  
BURNET R. MAYBANK,  
GLEN H. TAYLOR,

*Managers on the Part of the Senate.*

JESSE P. WOLCOTT,  
RALPH A. GAMBLE,  
JOHN C. KUNKEL,  
BRENT SPENCE,  
PAUL BROWN,  
WRIGHT PATMAN,

*Managers on the Part of the House.*

Mr. TOBEY. Mr. President, I should like to give a word of explanation of the conference report.

Senate bill 1770 increases the amount of money available under title VI of the Housing Act, under which the Government guarantees loans up to 90 percent. Those funds have been exhausted by builders and applicants as of last November, although not all the loans have been processed. But there is a great need for further funds to carry them through until next spring, when the act comes up anew.

The Committee on Banking and Currency is composed of 13 members, 7 in the majority party and 6 in the minority party. The bill had such a wide appeal to those Senators after they had been home for the interim recess that when it was brought up each of them asked to have his name placed on the bill as a sponsor so the bill as introduced carries the name and signature of each member of the committee.

We found that \$1,000,000,000 was not necessary at this time and that we could get along with three-quarters of a billion dollars. So I offered an amendment reducing the amount to \$750,000,000. Subsequently it was decided to be the part of wisdom that that should be subdivided and limited. It was originally provided in the bill that \$250,000,000 should be available at once and the balance left to the President to be used at his discretion. The House changed that so as to provide for \$250,000,000 to be used at once and the balance of \$500,000,000 to be used at the President's discretion. That is the only difference between the two branches of Congress.

The conferees met yesterday. I think the meeting deserves mention as the shortest conference on record in my experience in the Congress. It lasted approximately 2½ minutes until the conferees could sign their names. So the brethren "dwelt together in unity."

As the bill stands \$250,000,000 is to be made available at once, and \$500,000,000 is to be left in the hands of the President to use in his discretion.

I move the adoption of the report.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

#### INVITATION BY JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS FOR PRESENTATION OF INFORMATION REGARDING OPERATIONS OF TAFT-HARTLEY LAW

Mr. BALL. Mr. President, I ask unanimous consent that a statement issued by the Joint Committee on Labor-Management Relations, of which I am chairman, at a meeting this morning, inviting any individual or organization knowing of specific inequities resulting from the provisions or operations of the Taft-Hartley law to present such information to the committee, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Any individual or organization knowing of specific inequities resulting from the provisions or operation of the Taft-Hartley law is invited to present such information to the Joint Committee on Labor-Management Relations. We invite such presentation from employees, employers, or their organizations, and the general public.

To date there has been no instance of a specific injustice created by the new law called to our attention. Opponents of the law have continued to voice their objections in public speeches, in the press, and on the air. However, their objections are still of a general and hypothetical nature. No concrete examples of inequities are cited.

We stand ready to investigate any cases that are presented to us. In fact, we welcome and invite their presentation.

The committee staff will investigate any such information, and, if justified, we will hold public hearings to bring out the facts. It should be emphasized, however, that the committee is not interested in broad, general attacks on or defenses of the Taft-Hartley law and its objectives. That subject matter was thoroughly covered in the first session of the Eightieth Congress with many weeks of hearings and debate. What we are interested in are specific, factual cases of unfairness resulting from the operation of this law. However, in line with our previously determined policy, we will not inject ourselves into disputes while they are still in progress.

One of the duties given our committee was that of watching the operation of the Labor-Management Relations Act of 1947 (Taft-Hartley). We have considered it to be one of our most important functions.

The committee staff has established a liaison with every department, bureau, and agency having anything to do with the administration of that law. We have thus kept ourselves informed on all administrative rulings, decisions, and actions. The committee has met with the heads of these agencies at various times and inquired into possible problems of administration. We are obtaining the pleadings and following every court action brought under title III of the new law.

We have visited selected individual plants in various industries throughout the country and discussed labor-management relations history and present bargaining relations with employers and union representatives.

All this has been with a view of determining whether or not the new law has created any inequities among the individual worker, the union, and management. We



want to know whether the new law is meeting its objectives. So far, no serious difficulties have developed, and the provisions of the act appear adequate to solve problems arising under it.

# STABILIZATION OF COMMODITY PRICES AND THE NATIONAL ECONOMY

The Senate resumed the consideration of the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

The PRESIDENT pro tempore. What is the further desire of the Senate?

Mr. TAFT. Mr. President, I assume that under the order we now return to the pending business, Senate Joint Resolution 167.

The PRESIDENT pro tempore. The Senator is correct. The pending business is Senate Joint Resolution 167.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hatch	Myers
Baldwin	Hawkes	O'Connor
Ball	Hayden	O'Daniel
Barkley	Hickenlooper	O'Mahoney
Bricker	Hill	Overton
Bridges	Hoey	Pepper
Brooks	Holland	Reed
Bushfield	Ives	Revercomb
Butler	Jenner	Robertson, Va.
Byrd	Johnson, Colo.	Robertson, Wyo.
Cain	Johnston, S. C.	Russell
Capehart	Kem	Saltonstall
Capper	Kilgore	Smith
Chavez	Knowland	Sparkman
Connally	Langer	Stennis
Cooper	Lodge	Taft
Cordon	McCarran	Taylor
Donnell	McCarthy	Thomas, Okla.
Downey	McClellan	Thomas, Utah
Dworshak	McFarland	Tobey
Eastland	McGrath	Umstead
Eaton	McKellar	Vandenberg
Ellender	McMahon	Watkins
Ferguson	Magnuson	White
Flanders	Martin	Wiley
Fulbright	Maybank	Williams
George	Millikin	Wilson
Green	Moore	Young
Gurney	Murray	

The PRESIDENT pro tempore. Eighty-six Senators have answered to their names. A quorum is present.

The question is on agreeing to the first committee amendment.

The first amendment was, on page 2, after line 9, to strike out:

(2) providing for the marketing of live-stock and poultry at weights and grades that represent the most efficient utilization of grain.

The amendment was agreed to.

The next amendment was, on page 2, line 13, to strike out "(3)" and insert "(2)."

The amendment was agreed to.

The next amendment was, on page 2, in line 16, to strike out "(4)" and insert "(3)."

The amendment was agreed to.

The next amendment was, on page 3, line 10, after "Sec. 3", to insert "(a)."

The amendment was agreed to.

The next amendment was, on page 3, beginning in line 14, to insert:

(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred

upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark-ups in export prices over domestic prices.

The amendment was agreed to.

The next amendment was, on page 3, line 22, to insert in the subtitle, after the word "facilities", the words "and grain."

The amendment was agreed to.

The next amendment was, on page 3, line 23, after "Sec. 4" to insert "(a)."

The amendment was agreed to.

The next amendment was, on page 4, after line 5, to insert:

(b) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, is hereby revived and reenacted for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of grain for the production of distilled spirits for beverage purposes. The authority granted by this subsection shall expire on January 31, 1948.

Mr. BARKLEY. Mr. President, I move to insert after the words "distilled spirits", in line 11, the words "or neutral spirits."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Kentucky to the committee amendment.

Mr. TAFT. That is perfectly satisfactory, although I think the Senator from Kentucky would accomplish what he wants a little better if he said "for the production of distilled spirits for beverage purposes, including neutral spirits."

Mr. BARKLEY. There is such a technical distinction between distilled spirits used as a beverage and neutral spirits that no one is ever sure that he has the distinction clearly.

Mr. TOBEY. Do they not sometimes become kindred spirits?

Mr. BARKLEY. Neutral spirits is not used as a beverage by itself; it has to be blended with other spirits in order to be drinkable.

Mr. TAFT. I am willing to accept the amendment offered by the Senator from Kentucky.

Mr. MAYBANK. Mr. President, would it be agreeable to change the date to March 1? I had understood that it would be postponed for 60 days until hearings could be held on the bill introduced by the Senator from West Virginia [Mr. KILGORE].

Mr. TAFT. The Senator knows that the date was fixed by the committee. I have no choice. The committee thought that was as long as it ought to be until a better opportunity for hearings could be had. The committee thought it would be very arbitrary, without hearings, to do more than extend the authority for the shortest possible time until hearings could be held. I think we had better leave it at January 31, 1948. After all, hearings can be held in a hurry in January, and the authority can be extended for 30 days at that time. However, giving the Secretary of Agriculture authority to shut down all distilleries and

perhaps put people out of work is a very arbitrary power. I think it ought to be limited strictly, in view of the fact that no hearings have been held.

Mr. MAYBANK. I merely wanted to make the suggestion in the hope that hearings would be immediately commenced when we return.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky to the committee amendment on page 4, line 11.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. There are no further committee amendments.

Are there any further amendments to be offered to the joint resolution?

Mr. BARKLEY. Mr. President, I offer the following amendment:

On page 2, in line 4, after the word "to", insert "issue regulations and orders, and for this purpose to."

I think probably it might be agreeable to offer a further amendment, implementing that one, which would strike out subsections (b) and (c) of section 2; and I offer as a substitute therefor new subsections (b) and (c), which I shall ask to have read by the clerk.

I may say that the amendment which I offer on page 2, namely, to insert the words "issue regulations and orders, and for this purpose to" gives the President more power than merely to call in business and consult them about making voluntary agreements of their own. It authorizes him to issue regulations and orders with respect to the allocations and priorities and other matters dealt within the joint resolution, and that language is implemented by writing in new subsections (b) and (c), which I shall ask to have read by the clerk.

The PRESIDENT pro tempore. Does the Senator from Kentucky request that all the amendments to which he has referred be considered en bloc?

Mr. BARKLEY. I ask unanimous consent that the three proposals be regarded as one amendment and be voted on en bloc.

Mr. TAFT. Mr. President, I object to that. I think they should be considered and voted on separately.

The PRESIDENT pro tempore. Then the question is on agreeing to the first amendment offered by the Senator from Kentucky, which will be stated.

The CHIEF CLERK. On page 2, in line 4, after the word "to", it is proposed to insert "issue regulations and orders, and for this purpose to."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky.

Mr. BARKLEY. Mr. President, there is a fundamental difference between the amendment and the proposal contained in the joint resolution as reported by the committee, which merely authorizes the President to consult with industry in regard to the making of voluntary agreements between various elements of business, industry, and agricul-

80TH CONGRESS  
1ST SESSION

# S. J. RES. 167

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IN THE SENATE OF THE UNITED STATES

DECEMBER 17 (legislative day, DECEMBER 4), 1947

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. BARKLEY to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, viz:

1        On page 2, strike out all after line 17 down to and  
2 including line 6 on page 3 and in lieu thereof insert the  
3 following:

4        (b) (1) Whenever the President is authorized to impose  
5 controls with respect to a given material, commodity, or  
6 facility, under this Act, and determines that a plan of  
7 voluntary action with respect to any material, commodity,  
8 or facility is practicable and is appropriate to the successful  
9 carrying out of the policies set forth in this Act and would



1 make unnecessary an exercise of the mandatory power  
2 conferred thereby with respect to such material, commodity,  
3 or facility, the President may request in writing compliance  
4 by one or more persons with such plan of voluntary action  
5 as may be approved by the Attorney General. Any act  
6 or omission by such person or persons in compliance with  
7 a written request made pursuant to this section and with  
8 a voluntary plan promulgated thereunder shall not be the  
9 basis at any time for any prosecution or any civil action  
10 or any proceeding under the antitrust laws of the United  
11 States or the Federal Trade Commission Act.

12 (2) Such written request may, in the discretion of the  
13 President, be withdrawn at any time by written notice to the  
14 Attorney General, and after publication of notice of  
15 such withdrawal in the Federal Register as provided in  
16 subsection (3), the provisions of this Act shall not apply  
17 to any subsequent act or omission by reason of such request  
18 or voluntary plan.

19 (3) The Attorney General shall transmit to the  
20 President pro tempore of the Senate and to the Speaker of  
21 the House of Representatives, and shall order published in  
22 the Federal Register every such request, and any with-  
23 drawal thereof, and any plan, program, or other arrange-  
24 ments promulgated under, or which is the basis of, any such  
25 request.

1       (4) The power to make requests conferred by this  
2 Act shall expire upon the expiration of this Act, or March  
3 1, 1949, whichever is the earlier, and any requests made and  
4 voluntary plans adopted under this Act shall have no force  
5 or effect six months thereafter.

6       (c) It shall be unlawful, regardless of any contract,  
7 agreement, or other obligation heretofore or hereafter entered  
8 into, to sell or deliver any commodity, or in the course of  
9 trade or business to buy or receive any commodity or  
10 otherwise to do or omit to do any act, in violation of any  
11 regulation or order issued hereunder by the President, or to  
12 offer, solicit, attempt or agree to do any of the foregoing.  
13 Any person who willfully violates any provisions of this  
14 section shall, upon conviction thereof, be subject to a fine of  
15 not more than \$50,000, or imprisonment for a term not  
16 exceeding one year, or to both such fine and imprisonment.  
17 Whenever any Department has reason to believe that any  
18 person is liable to punishment under this section, it shall  
19 certify the facts to the Attorney General who may, in his  
20 discretion, after such investigation by the Federal Bureau  
21 of Investigation as he may deem necessary, cause appropriate  
22 proceedings to be brought.



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## AMENDMENT

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Intended to be proposed by Mr. BARKLEY to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

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DECEMBER 17 (legislative day, DECEMBER 4), 1947

Ordered to lie on the table and to be printed

# S. J. RES. 167

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IN THE SENATE OF THE UNITED STATES

DECEMBER 17 (legislative day, DECEMBER 4), 1947

Ordered to be printed

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## AMENDMENT

Proposed by Mr. BARKLEY to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, viz:

- 1 On page 2, line 4, after the word "to", insert: "issue
- 2 regulations and orders, and for this purpose to".



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## AMENDMENT

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Proposed by Mr. BARKLEY to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

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DECEMBER 17 (legislative day, DECEMBER 4), 1947

Ordered to be printed

80TH CONGRESS  
1ST SESSION

# S. J. RES. 167

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IN THE SENATE OF THE UNITED STATES

DECEMBER 17 (legislative day, DECEMBER 4), 1947

Ordered to lie on the table and to be printed

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## AMENDMENT

Intended to be proposed by Mr. PEPPER to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, viz: At the proper place in the bill insert the following:

- 1                                   PRICE CONTROL
- 2       SEC. . (a) It shall be unlawful for any person to sell,
- 3   barter, exchange, or otherwise dispose of any commodity
- 4   at a price in excess of the price at which he last sold,
- 5   bartered, exchanged, or otherwise disposed of such com-
- 6   modity subsequent to December 31, 1941, and prior to
- 7   December 17, 1947, or in excess of the price for such com-
- 8   modity determined under the provisions of subsection (b)



1 of this section, whichever may be the higher price. In the  
2 case of any commodity which is traded in on any board of  
3 trade the price at which a person last sold, bartered,  
4 exchanged, or otherwise disposed of such commodity prior  
5 to December 17, 1947, shall be deemed to be the closing  
6 price of such commodity on December 17, 1947, on that  
7 board of trade which is nearest to the place of the person  
8 disposing of such commodity.

9 (b) (1) In the case of any person who was not  
10 engaged in the business of selling a particular commodity on  
11 December 17, 1947, the maximum price at which he may  
12 sell, barter, exchange, or otherwise dispose of such com-  
13 modity shall be the highest price prevailing for such com-  
14 modity on December 17, 1947, in the locality in which  
15 such person may dispose of such commodity, or in any  
16 case in which the commodity was not sold in such locality  
17 on December 17, 1947, the price at which such commodity  
18 was last sold in such locality subsequent to December 31,  
19 1941, and prior to December 17, 1947.

20 (2) In the case of any new commodity first offered  
21 for sale subsequent to December 17, 1947, or in the case  
22 of any new model or design of a commodity, the maximum  
23 price at which such commodity may be sold, bartered,  
24 exchanged, or otherwise disposed of, shall be the price

1 determined by the Secretary of Commerce upon application  
2 made by the seller of such commodity.

3 (3) In any case in which the Secretary of Agriculture  
4 determines that due to market surpluses the prevailing price  
5 of any agricultural commodity on December 17, 1947, did  
6 not provide a fair return to the growers of such commodity,  
7 the Secretary may determine a price for such commodity  
8 which will result in a fair return to the growers of such  
9 commodity, and may determine fair prices for commodities  
10 processed or manufactured in whole or in part from such  
11 agricultural commodity, and the prices so determined shall  
12 thereafter be the maximum prices at which such commodi-  
13 ties may be sold, bartered, exchanged, or otherwise disposed  
14 of.

15 (c) Any person who willfully violates any provision of  
16 subsection (a) or subsection (f) of this section shall be  
17 guilty of a misdemeanor and, upon conviction thereof, shall  
18 be punished for each violation by a fine of not more than  
19 \$1,000 or by imprisonment for not more than 1 year, or by  
20 both such fine and imprisonment.

21 (d) As used in this section—

22 (1) the term "commodity" means commodities,  
23 articles, products, and materials (except materials fur-  
24 nished for publication by any press association or feature



1 service, books, magazines, motion pictures, periodicals  
2 and newspapers, other than as waste or scrap), and it  
3 also includes services rendered otherwise than as an  
4 employee in connection with the processing, distribution,  
5 storage, installation, repair, or negotiation of purchases  
6 or sales of a commodity, or in connection with the opera-  
7 tion of any service establishment for the servicing of a  
8 commodity: *Provided*, That nothing in the preceding  
9 subsections of this section shall be construed to regulate  
10 (1) compensation paid by an employer to any of his  
11 employees, or (2) rates charged by any common carrier  
12 or other public utility, or (3) rates charged by any  
13 person engaged in the business of selling or underwrit-  
14 ing insurance, or (4) rates charged by any person  
15 engaged in the business of operating or publishing a  
16 newspaper, periodical, or magazine, or operating a  
17 radio-broadcasting station, a motion-picture or other  
18 theater enterprise, or outdoor advertising facilities, or  
19 (5) rates charged for any professional services; and

20 (2) the term "person" includes, an individual,  
21 corporation, partnership, association, or any other or-  
22 ganized group of persons, or legal successor or repre-  
23 sentative of any of the foregoing, and includes the  
24 United States or any agency thereof, or any other  
25 government, or any of its political subdivisions, or any

1       agency of any of the foregoing: *Provided*, That no  
2       punishment provided by this section shall apply to the  
3       United States, or to any such government, political  
4       subdivision, or agency.

5       (e) It shall be unlawful for any employer to pay  
6       wages or salaries to any of his employees with respect to  
7       any employment at a rate in excess of the highest rate  
8       paid by him to any of his employees for the same employ-  
9       ment during the period subsequent to December 31, 1941,  
10      and prior to December 17, 1947, or to pay wages or salaries  
11      to any of his employees with respect to any employment in  
12      which he did not employ employees during the period  
13      December 31, 1941, to December 17, 1947, at a rate in  
14      excess of the highest rate paid by any employer in the same  
15      locality for the same employment during such period.

16      (f) The provisions of this section shall cease to be  
17      effective on February 29, 1948.









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## AMENDMENT

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Intended to be proposed by Mr. PEPPER to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

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DECEMBER 17 (legislative day, DECEMBER 4), 1947

Ordered to lie on the table and to be printed.

ture, which agreements are later to be approved by him, if elements of business, industry, or agriculture make them and present them to him. If such agreements are entered into and presented to the President for his approval or disapproval, and if he approves them, the antitrust laws are abrogated or nullified or relaxed to the extent covered by the agreements he approves. If for any reason he declines to approve the agreements, of course they would not become effective. But this measure places upon the President the requirement that he take the initiative, that he canvass business and industry and agriculture to determine whether voluntary agreements shall be entered into. He is not to be a party to the agreements; under the joint resolution he could not be a party to such an agreement, except insofar as he might approve it after it had been entered into by industry, agriculture, or business, because after it has been entered into it is to be presented to him for his approval. If he declines to approve the agreement, of course he is then subject to the charge that he has undertaken to interfere with the right of business voluntarily to agree upon allocations, priorities, or other matters dealt with in the joint resolution. No matter how obnoxious those agreements might be and no matter how unfair they might be to the American people, all that the President would be authorized to do, that would be effective, would be either to approve or disapprove the agreements. The language now contained in the joint resolution places it within the power of a few men in industry or business to bring about agreements that would nullify the antitrust laws of the United States; or if the President declines to agree to any such voluntary arrangement, he subjects himself to the charge that he is seeking to interfere with these voluntary agreements.

The joint resolution provides that the agreements cannot deal with the subject of prices. Even though an agreement bringing about a reduction of prices might be entered into between industries or businesses or agricultural producers, the President is prohibited from agreeing to such an arrangement, although the whole basis or foundation of the proposed legislation we are asked to consider is the high cost of living and the high costs of industry and production in the United States. If it had not been for the skyrocketing of prices, we would not be here with this proposed legislation confronting us, and the President would not be asking for the enactment of legislation to give him authority to control allocations and priorities and prices and wages, according to his recommendation in the message he delivered to the Congress on the 17th day of November.

Mr. TOBEY. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I yield.

Mr. TOBEY. Perhaps I did not understand the Senator from Kentucky, because his back was toward me; but I want this point clarified, for I am uncertain about it in my mind: Did the Senator suggest that big business would nullify and set at variance the antitrust laws of the United States? Is it not a

fact that they cannot do such a thing if the President objects? He is the eye of the needle; he is the door through which they must pass.

Mr. BARKLEY. I said the President is required either to approve the agreements under which the antitrust laws would be relaxed or he is charged with undertaking the responsibility of nullifying those agreements, because he is compelled either to approve them—and thus make the industries involved subject to a relaxation of the antitrust laws—or to disapprove them. I said that a small group in this country—and we know that some 200 concerns control the industries of the United States—would make the agreements which would be submitted to the President for his approval or disapproval, and by that sort of voluntary action on their part, they might determine the extent to which the antitrust laws would be enforced or relaxed.

Mr. TOBEY. But the President could wipe out all such agreements if he wished to do so; could he not?

Mr. BARKLEY. Of course he could; I am not disputing that at all. The point is that if the President is compelled by this measure, if it is enacted into law, to institute consultations with business in order to bring about voluntary agreements, he would automatically and obviously be in a very embarrassing situation, after taking the initiative, which he is required to do by the joint resolution, if he found it impossible to approve such an agreement which had been entered into by any group of business.

Mr. TOBEY. Under the joint resolution would it not be absolutely imperative upon big business, using that expression, before they take any steps to vitiate the antitrust laws, to get the approval of the President?

Mr. BARKLEY. Yes; they have to get his approval.

Mr. TOBEY. So we localize the responsibility with him to say "Yes" or "No."

Mr. BARKLEY. The president is required to do what I do not think a President has ever been required to do before, initiate and canvass among businessmen the question whether it might be possible to enter into voluntary agreements. I do not think the President of the United States should be required to huckster around businessmen in this country to determine whether they will enter into a voluntary agreement of any kind.

Mr. TOBEY. Let me read to the Senator from the report, very briefly:

Such agreements will be designed to limit inventories and to authorize priorities with a view to removing bottlenecks in the production of vital commodities. If it appears that voluntary controls are inadequate to meet specific problems, the committee will consider the granting of additional authority to meet such particular problems. In the next regular session of the Congress the committee intends to continue its study of the entire program and to explore its potential consequences.

Let me say to the Senator, and then I shall take my seat, that I share with him very definitely a loathing, an aversion, a hostility, if I may put it that way, to any

breach of the antitrust laws of this country. He and I have worked together before on similar movements, and I still feel that hostility. The only thought in my mind in reporting the pending measure in this time of stress—and it is a time of stress—was that it might be the part of wisdom that the President should have authority, as and when a group came to him, to say, "Yes; I will suspend the antitrust laws for 60 or 90 days, but I want to see what you are doing." That was Mr. Harriman's suggestion, the Senator will remember.

Mr. BARKLEY. No.

Mr. TOBEY. The same provisions found in the pending measure were recommended by Mr. Harriman.

Mr. BARKLEY. The Senator is mistaken about that. The Harriman recommendations are embodied in an amendment I shall offer as a companion to the pending amendment.

Mr. TOBEY. Was not the general idea the same?

Mr. BARKLEY. There was the same general idea, except that the Harriman proposal was that the President should be given the power to impose the allocations and the priorities, but having in mind also the making of an effort between the Government and business to bring about voluntary agreements which would make possible, it may be, the accomplishment of the purpose without the necessity for mandatory orders or regulations. The difference is that the pending amendment will give the President the power to do that rather than wait for Congress to reassemble and decide whether it will give him the power on the basis of failure of voluntary agreements.

Mr. TOBEY. One more question. Can the Senator from Kentucky conceive of any situation in this country in which, in his mature judgment, it would be the part of wisdom to bend, or suspend, or lift for a brief period of time, the antitrust laws for the common good?

Mr. BARKLEY. No, I cannot. I have always been an advocate of the strictest enforcement of the antitrust laws, and during my years of service in the Houses of Congress I voted for and urged the passage of legislation strengthening the antitrust laws. It was my good fortune to help write the Federal trade law, in the Wilson administration, setting up the Federal Trade Commission, to vote for the Clayton antitrust law, and all the laws which have been passed strengthening the original antitrust law. I think it is only in the rarest of circumstances, and the most extreme situations, that there should be any relaxation of the provisions of the anti-trust laws. But I think the power to relax the laws should go along with the power of the President of the United States, or some agency or department designated by him, to determine that there should be allocations and priorities, and have the power to impose them if there shall be a lack of voluntary cooperation, or if any voluntary effort should be unsuccessful.

My point is that I do not think we should try out the voluntary system first and then wait for Congress to return and pass a mandatory law, as seems to be indicated now, because no one knows



when Congress will take action. I think it would be better for us to do well at this time what we have to do, or do it within a reasonable time, than to take a half bite out of the cherry and await the pleasure of Congress in strengthening the law, if it is found not to be workable.

Mr. TAFT. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The Senator realizes, does he not, that his amendment would change completely the whole nature of the joint resolution? He now seeks to impose compulsory controls over every industry in the United States, to prescribe allocations, to prescribe priorities, and the embodiment of his proposal in the joint resolution would make it absolutely impossible to pass the measure before Christmas.

Mr. BARKLEY. I do not know about that. I am not sure that even the milk and water proposition we are now considering will pass before Christmas. There is no assurance of that. The Senator from Ohio cannot give us any assurance of that.

Mr. TAFT. That is true, but I think there is a reasonable chance that it may pass.

Mr. BARKLEY. I think the Congress of the United States in dealing with this problem should do a thorough job, and it might well wait until a few days after Christmas rather than pass something hastily in order to be able to go back home and say, "Look what I have done as a Christmas gift." It is a phony Christmas gift.

Mr. TAFT. In presenting the joint resolution, I stated very clearly that if the minority wished to block it, it was in their power to do so, and if they think they must have all power or nothing, they have it in their power to block the measure at this session. The main question will then be debated at the next session of Congress.

Mr. BARKLEY. I stated to the Senator and to the Senate this morning that the minority had no desire to block consideration of the joint resolution; but that did not mean that we are required to accept it as it came from the committee, or from the pen of the Senator from Ohio. We are offering, in good faith, amendments which we think will strengthen the measure. If the Senate votes them down, it has that privilege. If they are adopted and the measure goes to the House, and the House will not accept the amendments, that is their privilege and responsibility.

Mr. TAFT. There is no question of the right of the Senator to offer any amendment and to have it voted on, but the particular proposal he has made attempts to change the entire character of the joint resolution, and impose compulsory allocations and compulsory priorities, to give the Government power to cut down, let us say, the percentage of milling in grain, to regulate every flour-milling industry in the United States, to regulate every industry in the United States, to set up a large bureaucratic control, to do everything the War Production Board did during the war. I should be glad to have a vote on the

amendment, but I wished to point out that it does not propose merely a slight change in the joint resolution, but it would completely change the whole fundamental approach we have made.

Mr. BARKLEY. It would change the measure to the extent that the President, along with the authority to try out a voluntary system, could also bring about a compulsory system. There is no doubt about that. I am not seeking to deceive the Senate as to the effect of the amendment. It embodies what the President asked for—it was his recommendation—and we are seeking to carry out his purpose so far as we can, not completely, because, as I have said to the Senator from Ohio, although I introduced yesterday a price-control bill which had been prepared under the supervision of the Secretary of Commerce, acting with other members of the Cabinet, I have no purpose to offer today as a substitute for or as an amendment to the pending measure. But we do feel that if we are to pass a measure now, it should have some teeth in it. It should hold out some hope that the American people would receive some relief from the intolerable burdens they are sustaining by reason of high prices and increasing prices.

Mr. O'MAHONEY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kentucky yield to the Senator from Wyoming?

Mr. BARKLEY. I yield.

Mr. O'MAHONEY. It occurs to me to add to what the Senator from Kentucky has said that the amendment he has just offered brings the joint resolution as it came from the committee into harmony with itself. As it has been reported and recommended by the committee, in section 3 it extends the Export Control Act, and gives the Government mandatory authority to regulate exports. In section 4 the joint resolution extends the power to allocate transportation facilities, and gives to the ODT an additional period within which it may compel the owners of transportation facilities to follow out the orders of the Government.

The power to control exports is conferred in order to serve the public interest. The power to allocate transportation facilities is recommended by the committee to serve the public interest. The amendment which the Senator from Kentucky offers merely adds that the same philosophy which is applied to the right of private citizens to export, and to the right of owners of transportation facilities to use their facilities in their own way, should be extended to those commodities which are in short supply. There is absolutely no difference in logic or in principle, and certainly no difference in service to the public interest, between the amendment proposed by the Senator from Kentucky and the two provisions which have been recommended by the committee.

Mr. BARKLEY. The Senator is absolutely correct. I thank him for that addition. In other words, by the extension of the law, which expires on the 28th of February, we are providing the President and the Government with absolute power to do whatever may be

thought best in the interests of our economy. We supposed it had something to do with our foreign policy, but that is left out of the measure. With regard to every exporter in the United States, he is offered an opportunity, or even required to enter into voluntary agreements with other exporters. He is placed under the mandatory control of the Government, if he is going to send something outside the United States. The railroad company or the steamship company or any other transportation company that may transport his commodity from the interior of the United States to the shores of the United States, to be loaded on boats, is likewise under the mandatory power of the Government. But it is left purely to the good will and the voluntary cooperation of all the industries of the United States to get together in a sort of mass meeting, and decide whether they will pass a resolution embodying some sort of agreement covering some article in domestic production or some article in domestic consumption which may have some effect upon domestic production which agreement they will put on the doorsteps of the President, and require him either to approve it or to disapprove it.

Mr. O'MAHONEY. I suggest to the Senator that it does not even leave it to all the industries of the United States. It would leave this judgment about the allocation of commodities in short supply, such as steel or tin, to the judgment of the dominant corporations which are struggling to control the economy. It amounts to a delegation of the power of Congress to regulate commerce to the monopolistic groups in our economy.

Mr. BARKLEY. Theoretically, the language would leave it to industry as a whole, but as a matter of practical operation it would leave it to only a few.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. To a few, with the approval of the President of the United States.

Mr. BARKLEY. Oh, yes; I understand that.

Mr. TAFT. There is no imposition on the President of any burden to go around and beg industries. Today, the Department of Commerce is contacting industries to reach agreements of this kind. They have been doing it steadily. Secretary Harriman testified to the fact that he had been trying voluntary controls, and that he hoped to carry through the whole program on the basis of voluntary controls, except that he wanted power here and there. There is nothing new in the proposal now made. The President is not placed in any ignominious position. Secretary Harriman said:

In the Department of Commerce we have been making use of the Industry Advisory Committees set up in the war. These committees so far have been of great value to us in bringing to us the experience and knowledge of the industry. They serve as a valuable forum for discussion of the problems facing us, in addition to suggesting alternative solutions which may be better than those we have devised, or suggesting improvements. These meetings have the great advantage of setting before industry the problem facing us and of obtaining their



cooperation and assistance in carrying out our program.

There is nothing in the bill, except the provision that that kind of thing may go on, and if an agreement may be reached, it may be made.

When the Senator suggested this morning that, as the measure was phrased, in some way it did not give the President quite the power to take the initiative and call the parties together, I was perfectly willing to give him more initiative to do that, but the Senator's amendment gives the absolute power to the President of the United States to shut down any industry in the United States. Under the powers proposed he could refuse to allow anything to one industry, and wipe that industry off the map. It would give him complete power, the same kind of power that was given and can be justified in time of war, to shut down any industry he thinks non-essential. I say no such powers should be granted; but certainly they should not be granted unless after extensive hearings on such a proposal. There have been no such hearings. The powers should not be granted unless the people who are to be subjected to them could have the right and opportunity to testify before a committee of Congress. Therefore, not only am I opposed to the proposal, but whether for it or not, I certainly would be opposed to enacting it at the present time, in the current session.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Indiana.

Mr. CAPEHART. Would the Senator please explain what power and authority would be conferred under his amendment, and possibly give us some examples of what the President might do under paragraph 2, on page 2, line 13?

The PRESIDENT pro tempore. The amendments of the Senator from Kentucky have not been read. Does he desire to have them read for the information of the Senate?

Mr. BARKLEY. They are not now before the Senate. The Senator from Ohio objected to their being considered en bloc.

Mr. TAFT. The first one is before the Senate.

Mr. BARKLEY. The first one, the one just referred to, on page 2, is before the Senate.

Mr. CAPEHART. My question is with regard to the amendment before the Senate at the moment. Will the able Senator from Kentucky read or interpret his amendment in the light of paragraph 2, on page 2, line 13?

Mr. BARKLEY. Mr. President, it has been suggested that I ask that copies of the other amendments be made while we are discussing this one. I do not know whether that is practicable or not. It could only be done, I suppose, by the use of the typewriter. I do not suppose the amendments could be printed.

In response to the Senator from Indiana, let me say that I am not seeking to eliminate the possibility of voluntary agreements. I recognize that there may

be feasible agreements that can be entered into under the encouragement of the Government. Of course, if industry had wanted to do it, it could have done it, except for the possibility that parties might enter into an agreement that would be a violation of the antitrust laws. Therefore I suppose they have been a little tender-footed in regard to entering into agreements which might be interpreted as violations of the antitrust laws. What I am seeking to do by this amendment is to combine the mandatory power and the voluntary-agreement method.

Mr. CAPEHART. In other words, if industry is unable to agree, does it give the President the right and power to compel compliance, under paragraph 2, referred to a moment ago?

Mr. BARKLEY. It would empower the President to issue orders and regulations with reference to priorities and allocations, in the absence of any voluntary agreement. In other words, if he consulted industry, as provided in the bill, with a view to trying to arrive at an equitable agreement which would really bring some public relief, and if it were impossible to bring about such an agreement, then under this amendment, the President would have the power, by order or regulation, to bring about allocations, priorities, and so forth, which he would not have the right to do under the joint resolution.

Mr. CAPEHART. Would it give the President the right to deny materials to a given industry, or to a given factory?

Mr. BARKLEY. Of course, the Senator from Indiana and the Senator from Ohio can conjure up some impossibility.

Mr. CAPEHART. No; I am very sincere.

Mr. BARKLEY. Whenever general power is given to anybody, everything is included that might be done under it. Nobody would conceive that any President of the United States would arbitrarily or capriciously deny to any institution an allocation of goods, but that has been done by private industry, by way of a denial of supplies to industries in this country, because they desired to channel those supplies to some other company which was a favorite of theirs, or which they desired to have favored over another company. It is impossible to write any general power into any law which will not be susceptible of some imagined foolish exercise by the authority upon which it is conferred. I do not think it would be assumed that any President of the United States, regardless of his politics, would, out of malice, caprice, or for any other reason, arbitrarily deny to any plant, or company, or community, materials which it needed in order to favor some other community or institution.

Mr. CAPEHART. Then, under the Senator's amendment, we would be giving the President the power, if he cared to use it—and the Senator says, of course, that he would use it fairly and equitably, and I am not questioning that at the moment—to allocate all materials, to establish priorities on all materials in the United States, and to designate who should receive the priorities and who should not. Is that a fact?

Mr. BARKLEY. It would authorize the President to exercise the authority proposed to be conferred upon him under the pending measure, which he would exercise and have the power to exercise with regard to transportation. Under that authority he could take all the railroad cars of the country, if he saw fit to do so, and allocate them to one section of the country or to one industry, and thereby deny other industries the right to use transportation. He has not done so. He would not do so. He might, under the authority proposed to be given him with respect to exports do the same arbitrary thing. He has not done so. He will not do so. But the authority given in the amendment over allocation for domestic purposes is no greater than is proposed to be given him in the bill for allocation of exports, and no greater than proposed to be given him over transportation facilities for both export and domestic business.

Mr. CAPEHART. We might add the three or four words to the paragraph, "and to set prices," and then we would have a 100-percent price-control bill, plus a 100-percent allocation bill, plus a 100-percent priority bill; would we not?

Mr. BARKLEY. The Senator can add anything he wants to, and I suppose it would carry whatever authority he has in his mind. I am not offering a price amendment. I had no purpose to offer it to the measure.

Mr. CAPEHART. Would the Senator be willing, if it were possible to write it briefly, to amend his amendment so it would give the President authority to take the proposed actions if in his opinion they were directed to the increase of production in a specific field?

Mr. BARKLEY. I do not think it would be necessary to spell that out in the language. He would have that authority anyway.

Mr. CAPEHART. In other words, the Senator's thought is that the President will use this power, if we give it to him, to increase production.

Mr. BARKLEY. If there were a shortage of production in an essential, basic article, which was needed in this country, the President, by making allocations could bring about an advantageous increase of such production without unnecessarily hampering some other production or some other community. He would have the power to do that.

Mr. CAPEHART. One other question. Would an example of what the President might do be to allocate materials and give priority to, let us say, the farm machinery manufacturers? Is that the thought? It is not quite clear to me how prices are going to be controlled, under the Senator's amendment, or even by paragraph (2) in section 2. I do not quite see how such provisions are going to bring down prices and how they are going to control prices.

Mr. BARKLEY. I am not saying that the joint resolution as reported by the committee, or the amendment I have offered, will materially affect prices. The committee has taken pains to provide that no agreement fixing prices can be entered into or approved by the President; so that is out. But there might be



an indirect effect upon prices by more equitable distribution of the means of production, and by increasing the production in fields where there is a shortage. That might of course indirectly affect prices, and undoubtedly would affect them.

This is not, I will say to the Senator, a price-control measure. It is not so intended by the authors. I am not seeking to make it a price-control bill. I introduced a price-control bill yesterday, one which was prepared and transmitted to the Committee on Banking and Currency in line with a general request made by those who had been before the committee to present some concrete proposition. There have been no hearings upon that bill and it is entitled to very careful consideration and study. Therefore, I am not pressing it now, as I might want to make some changes in it myself after further consideration and further hearings. So the bill is not a price-control bill directly.

Mr. CAPEHART. Is it the Senator's best judgment that the Congress at the moment would be much better off if it would delay taking any action on any single angle of the subject until such time as it can study the entire problem?

Mr. BARKLEY. No; I do not think the Congress should postpone action on anything until it can act on everything. There are two proposals in the bill which are part of the President's program, and recommended by the witnesses who appeared before the committee. That is one-fifth of the President's recommendation. It is a little, not much, and may not be very effective. But I would not advocate that Congress postpone the consideration of all the recommendations made by the President until it can work out the last one, because what we can do now by legislation, if it is helpful, ought to be done. We can take up the other proposals when we return in January and have an opportunity to give full consideration to them.

Mr. CAPEHART. Would the able Senator be willing to freeze all prices at their present ceiling until we can work out the problem in its entirety?

Mr. BARKLEY. No; I think that is a subject which needs careful study and hearings, as well as the question of prices itself. I would not want to commit myself now to the Senator's proposal as made the other day, to freeze everything: prices, wages, and everything else.

Mr. CAPEHART. It did not include wages.

Mr. BARKLEY. It did not?

Mr. CAPEHART. No; it did not include wages.

Mr. BARKLEY. Even so, I do not think Congress today, or this week, could deal with that proposal.

Mr. CAPEHART. Will the Senator yield for one further question?

Mr. BARKLEY. Yes.

Mr. CAPEHART. What the Senator is asking Congress to do—which may be perfectly all right—is to place in the power of the President the right to control all materials of every description in America, the right to allocate all materials, and the right to allocate them to whomever he pleases, without any dec-

laration of principle that the powers must be used for the specific purposes of either immediately reducing the price or increasing production of specific commodities. The Senator is proposing to repose in the President broad powers to allocate materials, and to set up a priority system, without it being directed to any specific purpose other than simply to the purpose of controls. I should like to have someone give me an example of how one single priority might increase production in America and might do something toward reducing the high cost of living. I fail to see how it can do so.

Mr. BARKLEY. The Senator is a businessman. He has been in the manufacturing business. I am sure the Senator himself can think of numerous instances in which production within a certain line of business might be increased if the President had authority to deal with the materials going into production, similar to the authority which he is given under the joint resolution in dealing with transportation. There is now no less need for the authority to allocate the steel products of the country than there is to allocate railroad transportation.

Mr. CAPEHART. I agree with that. I was talking about allocating raw materials, for example, to the farm-machinery manufacturers, to the fertilizer manufacturers, for the specific purpose of growing more food. I will agree to allocation of raw materials for the purpose of increasing production. But the Congress in this instance, if we accept the Senator's amendment and pass the joint resolution with the amendment in it, is simply turning the ball of wax over to the President and saying, "Now you may allocate materials in any way you see fit. You may control all inventories, and you can do just as you please." He would have just as much power as he had during the war.

Mr. BARKLEY. I see no difference in principle between authorizing the President to allocate materials for the manufacture of products that are in short supply and allocating the transportation facilities over which they are to be transported. I see no difference whatever in principle between those two things. Of course, the President can, under any general authority, do all the things the Senator has spoken of. But it has either got to be done that way, or it will be necessary to spell out, material by material, commodity by commodity, what it is he has authority to allocate.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CONNALLY. Let me ask the Senator from Kentucky a question. Is it not necessary in this program to have some leadership? The President of the United States is the natural one to exercise leadership in this situation. These agreements will probably not be reached in a town-meeting style of conference. It seems to me that in these consultations the President, not by arbitrary action, but by persuasion and representation to the various interests, might exert a very great influence on what they do looking toward agreements. The fact

that he has a little authority might facilitate the procedure very much.

It is said that we must not do anything to prices. When we control transportation we affect prices. When we control exports abroad we affect prices, because the more exports are cut down the more it will contribute to the lowering of prices here at home. So it seems to me that if we are to get anywhere with this program we must vest a very large authority in the President of the United States and his consultants in the Department of Commerce and various other agencies. The President of the United States does not want to destroy the economy of the country. He wants us to get along at living prices. I think the Senator's amendment is entirely in order. Something of the kind is absolutely necessary if we are to do anything more than hand out a campaign document in an effort to show that we have done a great thing for the economy of the country.

Mr. BARKLEY. I thank the Senator from Texas. Suppose that under the bill as it is drawn the President calls a conference. He takes the initiative, which he is required to do. He calls the various representatives of industry to the White House, and they meet and talk the situation over. He urges them to enter into voluntary agreements for the allocation of materials which are in short supply, and for their judicious and fair distribution, in order to aid the economy of the American people, with whatever indirect effect there may be on prices. Let us suppose that the conferees meet, consult, and make speeches, and that no one is willing to take the initiative in deciding what shall be done. Suppose the conference breaks up without any agreement. The President has called them together in a futile effort to bring about a voluntary agreement. They have disbanded, like the London Conference of Foreign Ministers, without doing anything, and under the terms of the measure which we are now considering the President still has no power to relieve the situation.

It is in that situation that the President ought to have authority. He might never exercise it, but he ought to have it so that if by persuasion and consultation in the effort to bring about a voluntary agreement he is not successful, he will have that power in instances in which it ought to be exercised to bring about allocations and priorities, so that there may be an equitable distribution of materials necessary to the American economy.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LODGE. I should like to ask the Senator a question, in the spirit of getting information, and not with any idea of arguing the merits of the amendment. I am simply trying to find out what the amendment would do.

I understood the Senator to say that in his opinion the amendment would not authorize price control. I am sure that the Senator was sincere when he made that statement. However, I have the impression that there is a bullet in the pistol, even though the proponent of



the amendment does not thing it is there. This is why I think so:

The Senator's amendment would give the President the power to issue regulations and orders. For what purpose? "To aid in stabilizing the economy of the United States." That might require price control and rationing. "To aid in curbing inflationary tendencies." That might justify price control and rationing. "To promote the orderly and equitable distribution of goods and facilities." That certainly might require price control and rationing. So I ask the Senator, simply as a matter of information, whether his amendment actually does not authorize price control. Perhaps we should have it, but we should know what we are doing.

Mr. BARKLEY. I do not think so. I can offer an analogy to that situation. The committee reported an amendment authorizing the President to control the use of grain for the manufacture of distilled liquors, and we amended it by adding neutral spirits. There is an authority on his part to prohibit the use of grain. The amendment does not say anything about fixing the price. He may restrict the use of grain, as he has done heretofore, but no price was ever fixed on the grain used by distillers or other manufacturers of liquor. The mere power to allocate goods where needed, or to restrain their use where they may not be needed, carries no implication as to the fixing of prices.

Mr. LODGE. The Senator's amendment relates to section 1.

Mr. BARKLEY. I know; but I was citing the other amendment as an analogy, showing the conferring of power which has no price-fixing implications.

Mr. LODGE. But section 1 of the joint resolution specifically refers to stabilizing the economy, curbing inflationary tendencies, and prompting equitable distribution. The Senator's amendment relates specifically to section 1. That is where I think price control and rationing could be authorized. Perhaps we ought to do it, but we ought to know what we are doing.

Mr. BARKLEY. I do not think it carries the remote implication that there would be price fixing in any order or regulation the President might issue. The allocation of goods, even under voluntary agreements, might indirectly affect prices in certain parts of the country.

Mr. LODGE. How about rationing?

Mr. BARKLEY. Allocation is a form of rationing, except that it is not supposed to be done at the consumer level. The power to allocate goods among manufacturers is the power to ration them, in a sense, although it is different terminology.

Mr. LODGE. Would the Senator say that his amendment would authorize the rationing of meat, for example?

Mr. BARKLEY. I do not think so.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. On that point, I think the purposes of section 1 are limited by the three provisions, so I agree with the Senator that his amendment probably would

not affect prices. However, I am inclined to think that under the regulations and orders providing for priority and allocation of scarce commodities which basically affect the cost of living it would authorize compulsory rationing.

Mr. BARKLEY. I do not think so, because the use of the words "cost of living" is a description of the articles which may be allocated. It identifies them in a general way—articles which are essential, vital, or basic in the cost of living and in the cost of production. Those are the articles which he may allocate. But the mere allocation of those articles, because they fall in that category, does not authorize him to fix prices upon them.

Mr. TAFT. It was on the word "allocation" that the entire rationing system of this country was based during the war. There never was a statute expressly authorizing rationing. It was all based on the power to allocate under the Second War Powers Act.

Mr. BARKLEY. As I have said, allocation is in a sense a form of rationing on a higher level. In that sense it is synonymous with rationing within the categories involved.

Mr. TAFT. Let me suggest to the Senator that after all, the crisis which we are meeting is that of high prices. Certainly in order to cure high prices, to give the President power to limit any industry in the country necessarily has an effect on prices. The President may well find that four and a half million automobiles are too many, and that the number ought to be reduced to 3,000,000 automobiles next year, in order to provide steel for a great many other uses. Economic thinkers may well say that we can get along without consumer goods of that kind. I think the Senator would admit that the President might well limit the number of automobiles to 50 or 60 percent of the number being manufactured today; and such action might be defensible. I do not say that it is not.

Mr. BARKLEY. The President would also have the authority to increase the amount of material which would go into automobiles.

Mr. TAFT. Completely so.

Mr. BARKLEY. He might find that there is not enough steel going into farm machinery and that farm machinery is more essential to the production of food and the elimination of shortages in food and feed than is the production of some other finished product. He might allocate a larger quantity of steel to the farm machinery industry.

Mr. TAFT. And he might refuse all allocations to the construction industry.

Mr. BARKLEY. He might.

Mr. TAFT. Steel girders are necessary for construction. We would be placing the entire economy of the country in the hands of the President of the United States.

Mr. BARKLEY. We must take a chance on all those things, or not give him any power at all. The Senator from Ohio seems to prefer that he have no power at all.

Mr. TAFT. No. He might agree with the industry if it were obvious that a certain thing ought to be done, and every one agreed that it ought to be done. We

give him the power to accomplish it by agreement. In many cases it can be accomplished by agreement. We got the steel for freight cars by agreement. We can get steel for almost any other purpose by agreement, if the President wants to place it first on the national program.

Mr. BARKLEY. Of course, the Senator may be more optimistic than I am, but I think it will be more difficult to get competing rival institutions within the same field of industry, or as between some other industries, to agree to an allocation which would deprive them of any of the supply which they have heretofore obtained.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. BARKLEY. I do not wish to yield the floor.

Mr. CAPEHART. Why does not the Senator's amendment or some later amendment include a complete return to price control? Why should we not vote this up or down?

Mr. BARKLEY. In the first place, I do not want to offer any such amendment as that, for the reason, as I explained a while ago, that there have been no hearings on the subject. A bill was introduced only yesterday carrying out the program of the administration in regard to the problem. If I were to offer it this afternoon as an amendment to this joint resolution Senators would have the right to complain that I was seeking to do something in connection with a matter upon which there had been no hearings and upon which Congress had no information.

Mr. CAPEHART. It has been 30 days since we returned. Why has not such a bill been introduced before?

Mr. BARKLEY. Out of courtesy and in consideration of the fact that we are in the minority we have waited for the majority Members to offer legislation to carry out the President's recommendations. Complaint has been made that the cabinet members involved did not send to the Capitol some proposed legislation. They did not wish to take away from Congress the right and power to initiate legislation. We have waited 30 days. I am not criticizing anyone. We are supposed to adjourn on the day after tomorrow, but now we are asked at the last minute to pass a bill which, in my judgment and in the judgment of many others, is utterly inadequate and incomplete. Because we feel that way about it, it does not put upon us any mandatory requirement to cover the whole program by this bill or amendments to it. That would not satisfy the Senator. I wonder how many votes we would get, as influenced by the Senator from Indiana, if I should offer a price-control bill? Would the Senator vote for it?

Mr. CAPEHART. The Senator might be surprised.

Mr. BARKLEY. I have frequently been surprised.

Mr. CAPEHART. I am a member of the Banking and Currency Committee, which is the committee which handles price-control legislation. I have been waiting for 30 days for someone to introduce a bill to control prices. So far as I know, no one except myself has



introduced such a bill. I introduced a bill a few days ago in an effort to try to control prices. I do not know why we do not vote up or down the question of whether we shall give the President of the United States the right to control prices. I introduced a bill in good faith. I cannot accept from the able Senator from Kentucky the statement that they have not had time to prepare a bill, that they have not prepared a bill because they are in the minority, or that they have not known what they wanted to do, because the President of the United States, in his message, asked for a hundred percent return to price control.

Mr. BARKLEY. There is no use for us to get into a quarrel about who is at fault for not introducing a bill a day or two sooner. The Senator himself introduced one only a few days ago on the subject of price control in which he undertook to freeze all prices where they were on a certain date. I introduced a bill yesterday for the consideration of the committee and of the Congress whenever they can give it the consideration to which it is entitled. We feel that in order for the voluntary system provided for in the pending legislation to be effective and workable the President should have the power to deal with the subject in the event that industry is inefficient or uncooperative or for any other reason such power should be exercised.

I hope this amendment will be agreed to. I do not wish to consume any more time in its discussion.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Kentucky.

Mr. O'MAHONEY. Mr. President, I should like to add a few words to those which have been said by the distinguished Minority Leader. I believe we are dealing with one of the most important and difficult questions ever presented to this Congress. That statement has been made several times in the last few years. That is because the world itself has been in turmoil.

The issue which is now presented in section 2 between the bill reported by the Committee on Banking and Currency and the amendments which have been offered by the Senator from Kentucky, is simply the issue of whether we shall have an economic government in this crisis by those who have controlled our economic system, privately, or whether we shall have the Government in charge. It could be stated ever more simply. It is an issue between private government and the people's government.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LODGE. Does the Senator from Wyoming feel that the amendment offered by the Senator from Kentucky would authorize the President to put price control into effect?

Mr. O'MAHONEY. I think it would not authorize price control; I think it would authorize rationing.

Mr. LODGE. Is the Senator in favor of rationing meat?

Mr. O'MAHONEY. The Senator is, if conditions arise which make it seem that unless we ration meat the people in the

lower-income brackets will be unable to obtain it. Certainly, I know that the time is coming when a substantial proportion of the people of Massachusetts will be begging for meat and for milk unless the Congress undertake now to do something about it.

Mr. LODGE. I heartily agree with the Senator from Wyoming in that respect, and I am myself very strongly inclined to the rationing of meat. That is why I am trying to find out what the amendment means. The Senator from Wyoming says it does mean rationing, and the Senator from Kentucky says it does not.

Mr. O'MAHONEY. I think the Senator from Massachusetts mistakes the statement of the Senator from Kentucky.

Mr. BARKLEY. The Senator from Kentucky did not say that. He said that insofar as allocations may be considered as rationing, it would authorize it. Ordinarily allocation is regarded as on a higher level than is rationing, because rationing is applied largely to retail distribution.

Mr. LODGE. The Senator from Kentucky, in response to my question as to whether the amendment authorized the rationing of meat, said that in his opinion it did not. I am confident that the RECORD will so show. All I am trying to do is to find out what the amendment means. That is not an unreasonable thing for a legislator to want to ascertain.

Mr. CAPEHART and Mr. HAWKES addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Wyoming yield; and if so, to whom?

Mr. O'MAHONEY. I want to set forth in a more or less intelligible manner what I conceive to be the issue.

The PRESIDENT pro tempore. The Senator from Wyoming declines to yield.

Mr. O'MAHONEY. I shall be very happy to engage in a running commentary with any Member of the Senate who desires to interrupt me, but I am positive that our difficulty in dealing with this problem arises from the fact that Senators, instead of debating issues as they are being presented in this amendment, are debating them as they think they may be presented. I think that was true of the question of the Senator from Massachusetts. It is probably true of others. But what I should like to do is, first, to state my own position, and then answer any questions. But since the Senator from Indiana was first on his feet and since he has indicated by his speech upon the floor and by his action in introducing a bill day before yesterday to freeze prices that he realizes the gravity of the situation in which we are today, I shall be very happy to yield to him.

Mr. CAPEHART. Mr. President, cannot quite reconcile the statement of the able Senator from Wyoming [Mr. O'MAHONEY] in respect to the shortage of meat which is going to exist in the future and the high price of meat which he anticipates we shall have in the future, with the statement which has been made by the Senator from Kentucky [Mr. BARKLEY], and I cannot quite reconcile the thoughts which have been expressed

by the Senator from Wyoming with those which have been expressed by other Senators on his side of the aisle, because so far as I know neither the able Senator from Wyoming nor any other Senator on his side of the aisle, except the able Senator from Kentucky [Mr. BARKLEY], who tells us today that he introduced a bill last night, has introduced a single bill to control prices in the United States.

If the situation is as serious as the Senator from Wyoming says it is, why have Senators on his side of the aisle been sitting idly by for 30 days without introducing some legislation for the Senate to pass upon?

Mr. O'MAHONEY. Mr. President, does the Senator from Indiana wish to have an answer or an argument?

Mr. CAPEHART. I wish to have an answer.

Mr. O'MAHONEY. Very well, I shall give the Senator an answer: The President of the United States called this Congress into session on the 17th day of November.

Mr. CAPEHART. That is correct.

Mr. O'MAHONEY. In doing so, the President said he believed we ought to take certain steps with respect to foreign policy and certain steps with respect to domestic policy. On that very night, the chairman of the Republic Policy Committee, the Senator from Ohio [Mr. TAFT], rushed to the radio to denounce the President's message and to say that the things the President recommended should not be granted. Presumably the Senator from Ohio was speaking for the Republican majority; and in the speech he made then—

Mr. CAPEHART. Mr. President, will the Senator yield at this point for a moment?

Mr. O'MAHONEY. The Senator from Indiana wished to have an answer, and now let him take it.

In that speech the Senator from Ohio indicated that there were two of the President's recommendations to which he might give his reluctant support.

In the meantime, committees of the Congress, including subcommittees of the Joint Committee on the Economic Report, acting under the authority of a resolution introduced by the distinguished Senator from Connecticut [Mr. BALDWIN], were conducting investigations of the cost of living. There is no doubt in the mind of any member of those subcommittees, whether Democrat or Republican, that the people of the United States in the lower-income groups are finding it daily and weekly more and more difficult to make their incomes stretch over the items which they must buy if they are to live according to a decent standard. All of us have heard it. Veterans who are going to school under the GI bill of rights, which was unanimously passed by Congress, and provides for payments to enable veterans to support themselves and their families while going to school—provision for those payments was rushed through at the last session—are finding it impossible to do what the Congress wanted them to do, because of the inflationary rise of prices. They are finding it difficult to buy meat;



they are finding it difficult to buy milk. Those are the facts.

The eastern subcommittee, headed by the Senator from Vermont [Mr. FLANDERS], made a report which indicated that at least approximately five of the President's recommendations should be enacted into law. Some of the members of the western subcommittee—the junior Senator from Utah [Mr. WATKINS], for one—went so far as to indicate that in their belief the Government of the United States should buy the entire wheat crop.

Today the Joint Committee on the Economic Report agreed upon a statement that at least three of the President's recommendations should be enacted into law.

Mr. President, why have we on this side of the aisle not introduced bills? It is because we were waiting for the time when the majority leadership and the members of the majority in the Senate would sit down with us and draw up such a bill. In the Joint Committee on the Economic Report, at a public hearing, I turned to the chairman of that committee, who was also chairman of the Republican Policy Committee, and told him I would be willing to sit down that day with him to attempt to draw up the legislation.

Mr. President, why should we waste time trying to determine who is responsible? The people of the United States are waiting for us to act. The Senator from Indiana is willing to act. So now let us get together and act.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. CAPEHART. I doubt very much whether the able Senator from Wyoming answered my question as to why the minority Members of the Senate, having had 30 days in which to do so, have not introduced a bill on the subject.

Mr. O'MAHONEY. Let me answer in another way. Please bear in mind that the matter of enacting legislation is a practical one. The Senator from Indiana knows that as well as anyone else does. There is always some necessity for paying attention to those whose names will be attached to a bill, for example. The chairmen of various committees have to be consulted. We have to reach a meeting of the minds.

The position of the President of the United States was simply that he had to wait, in the public interest, until it was clear in his mind what sort of cooperation he would have from the Congress. Was there any delay about the European aid bill? There was none whatsoever, Mr. President, because as to that the responsible leadership on the Republican side of the aisle was cooperating to do a job which should be done. I say now, however, that the responsible leadership on the Republican side of the aisle is not cooperating to do the job which should be done on the domestic scene.

Mr. CAPEHART. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. Certainly.

Mr. CAPEHART. Some 10 minutes ago the able Senator from Wyoming said that the President of the United States delivered a message and that the able

Senator from Ohio [Mr. TAFT] rushed to the radio and disagreed with it. That has been 30 days ago. During that period of time I have been a little fearful that possibly the members of the minority party in the Senate had agreed with the Senator from Ohio in that they had failed to offer any proposed legislation to cure the situation about which the President complained. Is it possible that the speech of the able Senator from Ohio had some effect upon the able Senators on the other side of the aisle?

Mr. O'MAHONEY. Mr. President, I submit to the Senator that he is not engaging in serious debate; he is simply engaging in a very humorous, perhaps, and amiable attempt to confuse the issue.

I hold in my hand the measure we are asked by the legislative majority to pass. When was it introduced? I ask the Senator to read the measure. It states on its face:

Senate Joint Resolution 167

IN THE SENATE OF THE UNITED STATES,  
December 15, 1947.

Mr. TAFT introduced the following joint resolution, which was read twice and referred to the Committee on Banking and Currency.

Why do we talk about who did this today or tomorrow? The Senator introduced a bill on Monday, the Senator from Kentucky introduced a bill on Tuesday, and now on Wednesday we are discussing a bill introduced by the Senator from Ohio on Monday. Are we going to split hairs, are we going to split hairs, are we merely to engage in dialectic, instead of dealing with the problem of inflation, which is affecting Republicans as well as Democrats?

Mr. CAPEHART. Mr. President, will the Senator yield again?

Mr. O'MAHONEY. Certainly.

Mr. CAPEHART. The problem is to stop inflation and to stop high prices.

Mr. O'MAHONEY. I submit to the Senator that we cannot do it by merely discussing who introduced a bill, and when.

Mr. CAPEHART. And the legislation we are considering does not attack the problem directly.

Mr. O'MAHONEY. The Senator is quite right; but why does it not attack the problem directly? Because the majority party has said it will not act upon that question; that is why. If the Senator from Indiana can persuade the Senator from Ohio to agree to his view and report his bill, we will get some action.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Connecticut.

Mr. CAPEHART. Will the Senator from Wyoming join with me—

Mr. O'MAHONEY. I will ask the Senator to wait; I have yielded to the Senator from Connecticut.

Mr. McMAHON. The Committee on Banking and Currency is in the control of the majority party, which is in control of every other committee in this body. There has been set up a time schedule when we are supposed to adjourn. Does the Senator from Wyoming know of any law that compels the Congress to leave Washington on Friday next

at 5 o'clock? Why do we not remain here and finish what we should do?

Mr. O'MAHONEY. The majority leadership wants to go home for Christmas, but they do not want to put anything in the stockings of the American people for Christmas.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Certainly.

Mr. TAFT. The distinguished minority leader in the Senate and the distinguished minority leader of the House joined in informing the President that we were to adjourn on Friday. They agreed to the program, and it is not necessarily a Republican program any more than it is a Democratic program.

Mr. O'MAHONEY. Of course, Mr. President, they joined because they knew what the majority was going to do. Every day in the history of the Senate the minority leader turns to the majority leader and says, "When are you going to adjourn this afternoon?" And what the majority leader says goes. "Are you going to recess this afternoon, or are you going to adjourn?" "Are you going over until Wednesday, or are you going over until Thursday?" That is the customary procedure. The adjournment resolution was fixed in the Republican conference, and our side agreed because it has no choice to do otherwise. We knew that if the question were voted upon, as the situation stood at the time, we would be voted down.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Let me say to the Senator from Indiana that he is merely trying to make an argument by preventing me from making an argument. That is what he is doing. I should be very glad to have the Senator ask me any question he desires to propound, but I beg of him—

Mr. CAPEHART. May I ask the Senator one question?

Mr. O'MAHONEY. Very well.

Mr. CAPEHART. When did the minority party become such shrinking violets that they refuse to introduce proposals by legislation?

Mr. O'MAHONEY. They have not; they have introduced legislative proposals.

Mr. CAPEHART. The position the able Senator from Wyoming takes is that the minority party are helpless, that they have no rights, that they cannot introduce legislation, and cannot take any part in the deliberations of this great body. That is the position the Senator is taking.

Mr. O'MAHONEY. Oh, no. The Senator's statement is typical of the refusal of Senators on the other side of the aisle to listen to what is said. Of course I have not taken that position. I have said over and over again that the bills are here, and we are ready to act on them. Will the majority act? Will the Senator from Indiana get his side to act on them? Will he ask the majority leader on his side to remain here and act upon his bill? Will he ask the Senator from Ohio to act upon his bill?

Mr. CAPEHART. Has the able Senator offered an amendment to the measure before us?



Mr. O'MAHONEY. An amendment has been offered, and I am talking about the amendment which is before the Senate. The Senator persists in arguing about an amendment which is not before us. We can do only one thing at a time, and I can answer only one question at a time.

Mr. CAPEHART. My position is that if the situation in America is as serious as some of us think it is, as serious as the able Senator from Wyoming thinks it is, then we should vote up or down the question as to whether we are going to return to price control or whether we are not. That is my position, I stand on it, and I have been working to that end for some 30 days, even to the extent of introducing a bill to accomplish that purpose.

Mr. O'MAHONEY. I compliment the Senator on the steps he has taken. I merely remark that he has not taken steps enough. The introduction of a bill is not sufficient. The next step the Senator must take is to convince the Republican conference that his bill should be passed, and I do not hesitate to say to him now that I know what the answer will be. The Senator's bill will be thrown into the waste basket by the Republican conference.

Mr. CAPEHART. Will the Senator yield for one more interruption?

Mr. O'MAHONEY. I yield.

Mr. CAPEHART. I rather think I can return the compliment by saying that if the able Senator from Wyoming would introduce an outright bill to return 100 percent to OPA, his own leadership would likewise throw it into the waste basket.

Mr. O'MAHONEY. Yes; but the Senator has not done that.

Mr. CAPEHART. I think the proof is that the minority has not introduced a bill, unless it was introduced last night by the Senator from Kentucky.

Mr. HAWKES. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I must, before yielding, remark that the closing observation of the Senator from Indiana is simply a refusal to accept the word of the Senator from Kentucky and my word that a bill for wage and price controls has been introduced. I suggest that the clerk of the Senate present the Senator from Indiana with copies of the bills which have been introduced upon this subject.

I now yield to the Senator from New Jersey.

Mr. HAWKES. I have great respect for the distinguished Senator from Wyoming—

Mr. O'MAHONEY. The Senator is always very kind in his attitude.

Mr. HAWKES. But I do not agree with him in his answer to the question as to whether the amendment offered by the distinguished Senator from Kentucky would lead to price control. What it provides is price control. Why do we not call things by their proper names? Give me the power to allocate and control, to tell everyone in the United States what he is to do, and I will come out with price control. That is what I wanted to say.

Mr. O'MAHONEY. If the Senator from New Jersey had been on the floor when the Senator from Massachusetts addressed his question to the Senator from Kentucky, he would have heard not only the answer of the Senator from Kentucky but the answer of the senior Senator from Ohio, to the effect that the joint resolution does not affect price control, and that the amendment offered by the Senator from Kentucky does not affect price control. I will say to the Senator that as a matter of legislative construction and structure.

Mr. HAWKES. Will the Senator yield further?

Mr. O'MAHONEY. The Senator is asking for information, is he not?

Mr. HAWKES. I know the Senator from Wyoming does not want to leave a false impression before the Senate. If he does, I misunderstand him. I have been on the floor of the Senate every minute this afternoon. I heard everything the Senator from Kentucky said, everything the Senator from Wyoming has said, and everything the Senator from Massachusetts said. I know the Senator will agree that a Senator has a right to his own opinion.

Mr. O'MAHONEY. Certainly.

Mr. HAWKES. I am differing with the Senator from Wyoming and with the Senator from Kentucky, because I know that the amendment, if agreed to, would definitely lead to indirect price control.

Mr. O'MAHONEY. And the Senator from New Jersey is also differing with the Senator from Ohio [Mr. TART]. I point out that the senior Senator from Ohio agreed with the Senator from Kentucky [Mr. BARKLEY] that the enumerated paragraphs in section 2 constitute a limitation. So that this is not an authority to impose price controls. Moreover, if the amendment shall be agreed to, the discussion which has taken place upon the floor would amount to a legislative construction of the language of the joint resolution. The Senator need be in no doubt whatsoever. He may vote for the amendment and he will not be voting for price control.

Now, Mr. President, I may say I have welcomed the interruptions. It always flatters me when my colleagues on the floor of the Senate interrupt my discourses, which I usually like to make short, but which, because of questions, usually argumentative questions, I cannot make short.

What I undertook to say—and this is as serious a statement as I could hope to make upon the Senate floor—was that we are now called upon to determine whether, in what we all recognize to be a serious economic crisis, the steps to regulate that crisis in the public interest shall be taken by the people's Government, or shall be taken privately, by a private company.

I contend that it is no answer to this argument to say, "But the President can approve or reject. The President, under the measure before us, can call industry into session and ask them to make voluntary agreements. They may not agree to his request. If they present an agreement which he does not like, he

may disapprove it." That is no answer, because in the present crisis it means only that we are delegating to the managers of big business the power to do the job which we ought to do. We are putting it into their hands to be able to make an agreement which will be disadvantageous to the little businesses of the country, disadvantageous to the areas that we represent, and then force the President to stand before the public and say, "No; I refuse to do this."

The Senator from Ohio quoted from the testimony of Secretary Harriman before the Joint Committee on the Economic Report and contended from it that the Department of Commerce is trying to have some type of voluntary agreement made by the leaders of industry, and that this is only an attempt to do the same thing by law. Ah, Members of the Senate, look at the difference between the two. The antitrust law stands today without any exemption, and when the Secretary of Commerce sits down with the heads of any industry, they know that the antitrust law stands over them, and they would not dare to present an agreement in violation of that law. But, give them the power to go into conferences agreeing upon the allocation of materials in short supply, add to that an exemption from the antitrust law, and there would be given into their hands a weapon with which they could destroy the structure of the free economy.

That is the issue here. It is an issue which has been growing for 50 years. Oh, I know there are many Members of Congress and many others in the United States who think that free enterprise is in danger only from the Government. There is no Member of this body who will more vigorously fight arbitrary controls by Government than will I, but I know, and the record is here before the Congress, that private control over our economy has been growing by leaps and bounds.

I ask the Senators of the United States to go to the Congressional Library and take down Monograph 29 of the Temporary National Economic Committee, which shows, with facts which cannot be denied, that 200 large corporations control the economy of the United States. Those are the facts. They cannot be denied.

On Monday, I discussed the appalling increases of profits made by these groups, corporation profits running at their highest peak in history, so that 9 months of 1947 have seen exceeded the record of the whole of 1946. Since that time I have checked the figures which have been gathered by the Department of Commerce in its Survey of Current Business, for November 7. Referring to Table No. 5, that table shows that the profits after taxes of the 200 largest manufacturing corporations in the United States have increased 32.7 percent between 1943 and 1946. The story is clear: The small businessmen of the United States, in your State and in my State, Mr. President, are compelled now to do what they are told by big business, unless the antitrust laws prevent it. Read the RECORD in the House of Representatives, when the Wolcott bill was under consid-



eration. Read what was said there by Republicans as well as Democrats about this procedure to hand over to the big fellows in industry the right to make voluntary agreements and then put them in the lap of the President to say, "Take them or leave them."

I read in the press—I do not know whether it is true—that the majority leadership on the House side reported the Wolcott bill and said to the Members of the House of Representatives, "You may not amend it—take it as it is, or leave it." That is the pattern we are now asked to present to the people of the United States and to the President of the United States. Are we fearful of giving the President a little authority?

Mr. President, the Joint Committee on the Economic Report today agreed unanimously, I think, upon certain recommendations that had been made by the President. In that report were certain expressions which seem to me to apply directly to the issue here presented. Let me read. This was the discussion of the recommendation of the President to restore consumer-credit control. The Senate has adopted that recommendation, so far as installment credit is concerned. This is the sentence in the unanimous report of the Joint Committee on the Economic Report, presided over by the distinguished and able senior Senator from Ohio:

Voluntary efforts to curb the liberalization of credit practices, with consequent expansion of installment credit, have not been adequate, as is demonstrated by the prompt loosening of installment-credit terms with the ending of regulation W on November 1, 1947.

My point is that voluntary regulation of the allocation of commodities in short supply will likewise be inadequate.

The same group endorsed the President's recommendation for an extension of export controls. What do export controls mean? They mean only that the Congress of the United States has given to the executive branch of the Government, that is to say, to the President, the mandatory power to say what a private owner of goods in the United States may send abroad. Is that not right? It is Government interference with the freedom of export trade by individuals.

Listen to the discussion by the Joint Committee on the Economic Report of the necessity for export control:

Under normal conditions the markets for foreign exchange can be relied upon to keep the purchasing power of money in one country nearly enough in line with that in other countries so that significant volumes of goods are not shipped around the world in response to monetary rather than industrial differences. But in the present situation foreign exchanges have not reached equilibrium and the markets for foreign exchanges are not free, so it is possible to make abnormal profits by exporting goods from countries with a lower to those with a higher degree of inflation. Under these conditions—

Unanimously say the members of the Joint Committee on the Economic Report, and I should like to call this particularly to the attention of the Senator from Florida [Mr. PEPPER] and his able assistant from the Legislative Drafting Service—

Under these conditions trade must be supervised so that goods will move for rea-

sons of foreign policy or economic reasons rather than strictly monetary reasons.

What are we talking about, Mr. President? Here is a document from the Joint Committee on the Economic Report which says in words that cannot be misunderstood that export controls must be imposed and that trade must be supervised. Why, that is precisely the situation with which we are here confronted.

Take the case of steel. Mr. President, I have in my hand a statement which was issued on the 12th of September by the distinguished Senator from Pennsylvania [Mr. MARTIN] who is a member of the steel subcommittee of the Senate Small Business Committee. In greeting the representatives of the steel industry on September 12, 1947, the Senator from Pennsylvania [Mr. MARTIN] said:

I am glad to see you here today and wish to express to each of you my sincere appreciation of your splendid response to the committee's invitation.

This is the Senator from Pennsylvania speaking to the leaders of the steel industry.

The investigation into the steel shortage by this subcommittee of the Senate Small Business Committee would not be complete without hearing from the outstanding officials of the industry. Better than anyone else in the United States you are qualified to give expert testimony on several of the matters we have been looking into for the past 6 months.

"For the past 6 months" I repeat.

We have come to a point in the investigation where it seems timely and reasonable to discuss the findings made by the subcommittee with the men in the steel industry—the men who are in a position to correct certain situations which endanger the survival of smaller, independent users of steel and the maintenance of free, competitive enterprise.

I applaud the statement of the Senator from Pennsylvania.

This committee has uncovered a definite gray market in steel. Some industry witnesses who appeared before us early in our hearings twisted and squirmed in an effort to avoid admitting the existence of this gray market. It did them no good. Why they tried the head-in-the-sand technique of the ostrich I do not know.

Why should the gentlemen of the majority now try the head-in-the-sand technique of the ostrich themselves? I do not know.

I do know, however, that we have sound estimates of well above 2,000,000 tons of steel which have been diverted into the gray market this year. I do know that many small fabricators of steel products have been pushed through the wringer by the pressure of the gray market operators.

And now, Mr. President, we are asked to commit, by act of Congress, the allocation of steel to the very leaders of this industry who, as long ago as September 12, were accused by the Senator from Pennsylvania of sitting by while the gray market was operating.

We have had men before the committee who testified under oath they were paying an average of \$280 to \$300 per ton for steel. We had testimony of some cases on the Pacific coast where the price paid was as high as \$600 a ton. These prices are outrageous as compared to a legitimate mill price of \$75 to \$90 at that time. Our staff has examined the books of companies substantiating these facts. It is a vicious condition.

This is the condition which has been in existence. I read yesterday or the day before the front page story from the New York Times telling of the increasing magnitude of this gray market in steel. And we are asked to turn the control over to these gentlemen.

Mr. President, I do not intend to read the entire statement. I ask unanimous consent that the entire statement may be printed at the end of my remarks.

The PRESIDENT pro tempore. Without objection, the order is made.

(See exhibit A.)

Mr. O'MAHONEY. I do, however, want to read two paragraphs from the very vigorous, forthright and frank statement by the junior Senator from Pennsylvania [Mr. MARTIN]:

Those of you who know me, know that I am a strong advocate of the American free enterprise system. I want it to continue and I want it to expand. But I want it to function with proper regard for the public interest. It must not run riot over the prone bodies of the little men in business.

I tell you this frankly. Your Government and your Congress are reluctant to add new disruptions to our free-enterprise system. But if evils like the steel gray market and other abuses which have developed, and similar racketeering in other lines of business do not end, don't be surprised when Uncle Sam moves in as a traffic cop.

Mr. President, I applauded the statement of the Senator from Pennsylvania when I read it in the press. It was a courageous statement, and, more than that, it was a true statement. Months have passed since it was issued. The gray market is getting worse and now the majority partly asks us to turn the interests of the little fabricators of America and the small people of America over to the tender mercies of those in industry who direct the supply of these materials.

Mr. President, no one can tell me that the heads of the great steel companies of the United States do not know how the gray market is constructed. I for one am not willing by my vote in this body to say to them, "We shall take away from the Secretary of Commerce and from the President of the United States the influential power of the antitrust laws and let you make your voluntary agreements."

I acknowledge that it might be possible for the President of the United States and the Attorney General, with the power of compulsion over the allocation of scarce commodities—just as they have the mandatory power over exports and the mandatory power over freight cars—to induce those people to make voluntary agreements with respect to priorities and allocations which would be in the public interest. It may be difficult; but I know the Attorney General of the United States. I know the antitrust division. I know the sentiment of Congress; and I know that the President of the United States and the antitrust division will not consent to any agreement which will be a monopolistic restraint of trade.

So, Mr. President, it is my hope that the amendment offered by the Senator from Kentucky [Mr. BARKLEY] will be adopted. I hope that the United States Senate, by adopting that amendment, will say to all the people of the country,



"We are not ready to strike down the antitrust laws now so that in this crisis of inflation big business may control the allocation of scarce commodities and establish priorities."

## EXHIBIT A

REMARKS BY SENATOR EDWARD MARTIN, REPUBLICAN, OF PENNSYLVANIA, CHAIRMAN OF THE STEEL SUBCOMMITTEE OF THE SENATE SMALL BUSINESS COMMITTEE, IN CONNECTION WITH THE SUBCOMMITTEE'S MEETING WITH OFFICIALS OF LEADING STEEL PRODUCING COMPANIES ON SEPTEMBER 12, 1947

Gentlemen, I am glad to see you here today and wish to express to each of you my sincere appreciation of your splendid response to the committee's invitation.

The investigation into the steel shortage by this subcommittee of the Senate Small Business Committee would not be complete without hearing from the outstanding officials of the industry. Better than anyone else in the United States you are qualified to give expert testimony on several of the matters we have been looking into for the past 6 months.

We have come to a point in the investigation where it seems timely and reasonable to discuss the findings made by the subcommittee with the men in the steel industry—the men who are in a position to correct certain situations which endanger the survival of smaller, independent users of steel and the maintenance of free, competitive enterprise.

This committee has uncovered a definite gray market in steel. Some industry witnesses who appeared before us early in our hearings twisted and squirmed in an effort to avoid admitting the existence of this gray market. It did them no good. Why they tried the head-in-the-sand technique of the ostrich I do not know. I do know, however, that we have sound estimates of well above 2,000,000 tons of steel which have been diverted into the gray market this year. I do know that many small fabricators of steel products have been pushed through the wringer by the pressure of the gray market operators.

We have had men before the committee who testified under oath they were paying an average of \$280 to \$300 per ton for steel. We had testimony of some cases on the Pacific coast where the price paid was as high as \$600 a ton. These prices are outrageous as compared to a legitimate mill price of \$75 to \$90 at that time. Our staff have examined the books of companies substantiating these facts. It is a vicious condition.

As the heads of steel companies you cannot be expected to bear the entire blame for all that has been happening in the regular—and in some cases, the highly irregular—channels of distribution. As leaders of your industry, however, you certainly cannot escape all the responsibility for the abuses revealed by this investigation. We have the opinions of able people, that though you did not cause the gray market, you have the power to cure it by the exercise of your leadership and your authority.

Those of you who know me, know that I am a strong advocate of the American free-enterprise system. I want it to continue and I want it to expand. But I want it to function with proper regard for the public interest. It must not run riot over the prone bodies of the little men in business.

I tell you this frankly. Your Government and your Congress are reluctant to add new disruptions to our free-enterprise system. But if evils like the steel gray market and other abuses which have developed, and similar racketeering in other lines of business do not end, don't be surprised when Uncle Sam moves in as a traffic cop.

This conference is an effort to bring about greater self-regulation so as to avoid the entanglements and confusion of bureaucratic governmental regulation. It is to seek by

free and frank discussion, a method by which defects in the present system of supply and distribution may be corrected. Most important, it is to obtain your suggestions for the protection of the small businessman who is being crushed ruthlessly between the upper millstone of the gray market and the nether millstone of a distorted distribution pattern.

I realize that steel is a tough business. But in the steel business, or in any other business, management has no more right to adopt a "public-be-damned" attitude than labor or government. In the face of the growing pressure for nationalization of such big industries as steel, coal, and the railroads, it would be downright stupid for your business to take that position. Bear this in mind—such nationalization has been suggested even on the floor of the United States Senate.

The American people do not object to bigness so long as it is used for better service and to improve our way of life. Opposition to bigness in the United States comes only when it creates monopoly—when it is used to fix prices, to stifle competition, to destroy initiative, or to warp our way of life. Big business, if wise, polices itself by recognizing its responsibilities to the public welfare.

It is worth remembering that every big corporation started small. Without an opportunity to grow, they would have been throttled in their swaddling clothes. Equal opportunity to grow and prosper in a healthy atmosphere of competition must be given to small business today.

The main responsibility of the Senate Small Business Committee is to aid in the survival of independent enterprise, and in the continuation of the competitive process. Where small business has been squeezed out of existence in the world today, human liberties have suffered.

The war intensified the trend toward concentration in industry. This was particularly true of steel. The war is over. Now we must correct the unbalance.

In exploring the dislocation of steel distribution, we have found these things:

1. The gray market, in which many legitimate manufacturers have been subjected to exorbitant prices and commissions or victimized by swindlers posing as steel brokers.

2. Diversion of steel into other than normal channels by firms which obtained steel on the historical quota basis; steel sales under priorities where the steel was not used for priority purposes; barter deals in which mills accepted scrap in trade for finished steel which was sold on the gray market.

3. Established users of steel, even those with priorities, unable to obtain their basic quotas from their normal suppliers. The crack-down on newcomers into the manufacturing field who had no historical quota of steel and who have been forced either to go out of the market or to pay gray-market prices. At the same time some others, without historical quotas, were supplied.

4. Expansion of integrated operations by some of the larger steel companies which has contributed to loss of supply for small manufacturers and erecting concerns. Steel mills have withdrawn distribution from certain areas, ruthlessly leaving former customers high and dry. In many cases, historical quotas have been totally ignored.

5. The problem of how much exporting should be continued at this time in view of the fact that in the first 6 months of this year more than 10½ percent of our entire production was shipped abroad. Upon recommendation of this committee the extension of export controls on critical steel items were adopted and certain administrative practices with regard to export licenses in the Department of Commerce were corrected.

6. The question of whether our present steel capacity is adequate for the future, a question to which we have several times obtained the answer, "No." This answer has come from economists, industrialists, and

representatives of organized labor. I feel that the sound solution of this problem is one of the serious questions confronting us.

Gentlemen, I did not invite you here to read you a lecture. I have spoken this way because I feel so strongly on the subject of free enterprise and protecting our way of life. Preservation of small business is fundamental to this objective.

I asked you to come in the hope you could help us find solutions to these problems.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, it is obvious that there cannot be a vote on the amendment this evening. I ask unanimous consent that the amendment may be printed for the information of Senators when they assemble tomorrow.

The PRESIDENT pro tempore. Does the Senator's request refer to his entire amendment?

Mr. BARKLEY. The entire amendment; that is, the one which is now pending and the other one which I shall offer. I ask that they be printed and lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PEPPER. Mr. President, the Senator from Kentucky now has asked that his amendment go over until tomorrow. I had made the statement earlier in the day, which I repeat for the attention of the Senator from Ohio [Mr. TART], that the country expects something to be done by the Congress at this session which will have some immediate practical effect.

It is late in the day. I would not propose anything to which I expected to devote any considerable discussion; but I have had the legislative counsel's office draft an amendment purporting to provide a ceiling for prices and wages until the 28th of February. If the Senator from Ohio would accept that amendment, or if he would allow a vote upon it immediately, or before the conclusion of today's session, I think we could give the country something to which it could look as preventing the situation from becoming worse and keeping the fire from spreading further. I wonder if the Senator from Ohio would allow a vote on that amendment before the conclusion of today's session, if the proponent of the amendment will engage in no further explanation than what has already been given.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, there is already pending a bill introduced by myself a few days ago to freeze prices at their high ceiling as of midnight on December 13. However, that bill does not freeze wages and salaries. I purposely omitted them because I question the advisability of doing so at this time. I do not think it is necessary. I think if we were to freeze the ceilings as I suggested in my bill labor would not ask for increases and would not strike. For that reason I did not place the freezing of wages in my bill. I happen to be opposed to freezing wages at this time.



However, I am in favor of freezing prices at their ceiling of last Saturday night, December 13, and I have introduced a bill to that effect.

Mr. TAFT. Mr. President, will the Senator from Florida yield to me?

Mr. PEPPER. I shall be glad to yield to the Senator from Ohio. First, let me say that if he will allow me to make a brief explanation I shall appreciate it.

Mr. TAFT. Certainly.

Mr. PEPPER. I make the request for the consideration of the amendment now because, unhappily, due to a necessity which carries me to my State, I shall be unable to be present tomorrow. I had hoped that if we did not engage in debate the Senator from Ohio might allow this amendment to be considered and voted upon by the Senate today.

Mr. TAFT. Mr. President, I prefer to consider one question at a time. We have an important question before us. I think we should dispose of it. I would like to have got it out of the way this afternoon, but evidently that is impossible. I think we had better consider the various amendments in an orderly way.

Mr. PEPPER. Mr. President, there is no amendment pending at the present time.

The PRESIDENT pro tempore. There is an amendment pending.

Mr. PEPPER. I thought the Senator from Kentucky asked that his amendment go over until tomorrow.

Mr. BARKLEY. That does not mean that it is withdrawn. It is the pending amendment. We are unable to vote on it today.

Mr. PEPPER. Mr. President, I should like to say just a word further.

With respect to what the Senator from Indiana [Mr. CAPEHART] has said, I think we all agree that wages have not risen to a fair relationship to prices. I believe that the right and proper thing to do would be to freeze prices without freezing wages; yet I know there would be no chance whatever of having that kind of an amendment adopted in the Senate, because there would be those who would say that we cannot in any way freeze prices without our policy having some effect on the stability of wages.

My thought is this: As we are proceeding now, we are not going to do anything which will have any effect to curb the growing conflagration of inflation. I respectfully submit that none of the measures now pending would stop spiraling prices. When we return in January they will be higher than they now are. My hope and thought was, therefore, that if we could stop the spiral at its present level, at least we could assure the people that the situation would not grow worse by the time we return.

So, Mr. President, at least as a declaration of what I believe would be the desirable policy, and one which is in the public interest, I submit the amendment to which I have referred. I ask unanimous consent that it lie on the table and be printed, and also that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the amendment submitted by Mr. PEPPER was received, ordered to lie on the table and be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. PEPPER to the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, viz: At the proper place in the bill insert the following:

"PRICE CONTROL

"SEC. —. (a) It shall be unlawful for any person to sell, barter, exchange, or otherwise dispose of any commodity at a price in excess of the price at which he last sold, bartered, exchanged, or otherwise disposed of such commodity subsequent to December 31, 1941, and prior to December 17, 1947, or in excess of the price for such commodity determined under the provisions of subsection (b) of this section, whichever may be the higher price. In the case of any commodity which is traded in on any board of trade the price at which a person last sold, bartered, exchanged, or otherwise disposed of such commodity prior to December 17, 1947, shall be deemed to be the closing price of such commodity on December 17, 1947, on that board of trade which is nearest to the place of the person disposing of such commodity.

"(b) (1) In the case of any person who was not engaged in the business of selling a particular commodity on December 17, 1947, the maximum price at which he may sell, barter, exchange, or otherwise dispose of such commodity shall be the highest price prevailing for such commodity on December 17, 1947, in the locality in which such person may dispose of such commodity, or in any case in which the commodity was not sold in such locality on December 17, 1947, the price at which such commodity was last sold in such locality subsequent to December 31, 1941, and prior to December 17, 1947.

"(2) In the case of any new commodity first offered for sale subsequent to December 17, 1947, or in the case of any new model or design of a commodity, the maximum price at which such commodity may be sold, bartered, exchanged, or otherwise disposed of, shall be the price determined by the Secretary of Commerce upon application made by the seller of such commodity.

"(3) In any case in which the Secretary of Agriculture determines that due to market surpluses the prevailing price of any agricultural commodity on December 17, 1947, did not provide a fair return to the growers of such commodity, the Secretary may determine a price for such commodity which will result in a fair return to the growers of such commodity, and may determine fair prices for commodities processed or manufactured in whole or in part from such agricultural commodity, and the prices so determined shall thereafter be the maximum prices at which such commodities may be sold, bartered, exchanged, or otherwise disposed of.

"(c) Any person who willfully violates any provision of subsection (a) or subsection (f) of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished for each violation by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

"(d) As used in this section—

"(1) the term 'commodity' means commodities, articles, products, and materials (except materials furnished for publication by any press association or feature service, books, magazines, motion pictures, periodicals, and newspapers, other than as waste or scrap), and it also includes services rendered otherwise than as an employee in connection with the processing, distribution,

storage, installation, repair, or negotiation of purchases or sales of a commodity, or in connection with the operation of any service establishment for the servicing of a commodity: *Provided*, That nothing in the preceding subsections of this section shall be construed to regulate (1) compensation paid by an employer to any of his employees, or (2) rates charged by any common carrier or other public utility, or (3) rates charged by any person engaged in the business of selling or underwriting insurance, or (4) rates charged by any person engaged in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting station, a motion-picture or other theater enterprise, or outdoor advertising facilities, or (5) rates charged for any professional services; and

"(2) the term 'person' includes, an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing: *Provided*, That no punishment provided by this section shall apply to the United States, or to any such government, political subdivision, or agency.

"(e) It shall be unlawful for any employer to pay wages or salaries to any of his employees with respect to any employment at a rate in excess of the highest rate paid by him to any of his employees for the same employment during the period subsequent to December 31, 1941, and prior to December 17, 1947, or to pay wages or salaries to any of his employees with respect to any employment in which he did not employ employees during the period December 31, 1941, to December 17, 1947, at a rate in excess of the highest rate paid by any employer in the same locality for the same employment during such period.

"(f) The provisions of this section shall cease to be effective on February 29, 1948."

INTERIM REPORT OF JOINT COMMITTEE ON THE ECONOMIC REPORT

Mr. TAFT. Mr. President, I present an interim report from the Joint Committee on the Economic Report. The report has been placed on the desks of all Senators. It covers some of the points involved in the pending measure. I ask that the report be printed in the RECORD at this point as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

JOINT COMMITTEE ON THE ECONOMIC REPORT (Resolutions dealing with certain of the President's recommendations adopted December 15, 1947)

This is only an interim report covering some of the less controversial points in the President's program to deal with the problem of inflation. The committee is still studying the other points, together with the basic causes of inflation, and possible solutions therefor. The fact that this report does not cover all the points in the President's program implies no judgment either way on the points not covered.

RECOMMENDATION NO. 1

The committee endorses in principle the restoration of consumer credit controls.

The President has recommended restoration of consumer credit controls (message of November 17, 1947; recommendation No. 1, first part).

The committee agrees that one means of reducing inflationary pressures at this time is through restraints on excessive expansion



of consumer credit. Specifically, it approves for immediate enactment an extension of consumer installment credit controls similar to the system in effect under regulation W.

Voluntary efforts to curb the liberalization of credit practices, with consequent expansion of installment credit, have not been adequate, as is demonstrated by the prompt loosening of installment credit terms with the ending of regulation W on November 1, 1947.

The committee emphasizes that its endorsement of credit controls is directed only to the restraint of excessive granting of consumer installment credit at a time of inflationary pressures. It does not wish to see all installment credit prohibited, to the disruption of normal business activity.

Nor does it now endorse proposals to continue consumer credit controls indefinitely as a means of protecting businessmen from other businessmen's competitive use of credit as a sales promotion device. Regulation of the plane of competition involves entirely different issues from restriction of credit inflation, and these have not been studied by the committee.

#### RECOMMENDATION NO. 2

The committee recommends that appropriate committees of Congress proceed immediately to study measures to regulate improper or excessive speculative trading on the commodity exchanges, with due recognition of the responsibility of maintaining an adequate hedging market.

The President recommended legislation to authorize the regulation of speculative trading on the commodity exchanges (recommendation No. 2).

The committee and two of its subcommittees have heard considerable testimony on speculative trading in commodity futures. Experienced and responsible witnesses, including representatives of the administration, the grain trade, and the milling industry, agree on the importance of maintaining efficiently functioning, hedging markets, and on the fact that commodity speculators as a body perform a useful economic service in this connection.

The committee recognizes the possibility that prices of specific commodities might be unduly raised or depressed, for a time, by improper or excessive speculative trading on the commodity exchanges, with potentially disadvantageous consequences. It therefore recommends that appropriate committees of Congress study this possibility and propose measures for guarding against it, with due recognition of the responsibility for maintaining adequate hedging markets.

#### RECOMMENDATION NO. 3

The committee approves the extension of export controls.

The President has recommended extension and strengthening of export controls (recommendation No. 3).

Continuation of export controls is necessary because of the unbalanced state of world trade, the high degree of inflation which prevails in certain foreign countries, and the great shortage of both the means of subsistence and the means of production which prevails in other countries. Whereas under normal conditions most goods are satisfactorily distributed over the world by the ordinary process of trade, in the present demoralized state of international commerce, export controls serve two important purposes:

First, they protect this country against the danger that it will be drained of goods which are of critical importance at home, and thus further increase domestic prices. Without control the desperate needs of devastated countries might lead them to concentrate an overwhelming part of their buying power in a particular narrow field. This risk is likely to arise from time to time with food-stuffs, with raw materials, or with capital

goods. The second reason for controlling exports is that if there is a higher degree of inflation abroad than prevails here it may be profitable for businessmen to export goods for which the need is greater here or in some other country than in the country which is prepared to pay the higher price. Such trade, depending on differences in general price levels, arises chiefly in the trade with countries which were not subjected to the ravages of war, particularly Latin America.

Under normal conditions the markets for foreign exchange can be relied upon to keep the purchasing power of money in one country nearly enough in line with that in other countries so that significant volumes of goods are not shipped around the world in response to monetary, rather than industrial differences. But in the present situation the foreign exchanges have not reached equilibrium and the markets for foreign exchanges are not free, so it is possible to make abnormal profits by exporting goods from countries with a lower to those with a higher degree of inflation. Under these conditions, trade must be supervised so that goods will move for reasons of foreign policy or economic reasons, rather than strictly monetary reasons.

The case is accentuated when, as at present, a number of basic materials and finished products are being sold domestically at prices which do not keep the demand down in line with the available supply. This price policy increases the profit to be made by exporting such commodities to countries where there is a higher degree of general inflation and there is no legal or social ban on selling them for whatever the seller can get.

#### RECOMMENDATION NO. 4

The committee recommends the extension of the authority to allocate transportation facilities and equipment.

The President recommended legislation to extend authority to allocate transportation facilities and equipment (recommendation No. 4).

The Second Decontrol Act of 1947 authorizes the continuation of controls over the use of transportation equipment and facilities by rail carriers until February 29, 1948. Under this authority ODT has issued, and now has outstanding, orders with fix loading requirements for carload and less-than-carload freight; others which restrict movement of export freight to port areas, and other orders of less importance. In addition, ODT has at various times issued special orders with reference to the allocation of freight cars and is continually attempting to obtain the fullest utilization of transportation equipment. It has also requested ICC to issue service orders covering the movement of freight cars, particularly grain cars. In view of our large export program, control over movement of freight cars to ports is essential to avoid port congestion. Administration witnesses appearing before this committee have emphasized the need of control over allocation of coal cars, with a view to preventing coal shortages and facilitating essential production, especially of steel.

Although the shortage of freight cars is apparently now being alleviated to some extent, it will nevertheless continue for some time, making a continuation of the powers necessary to deal with this shortage highly desirable. It is the committee's understanding that the program of freight-car allocation and movement has been largely operated without the use of formal orders by the Government agencies concerned, through the cooperation of the Association of American Railroads and of individual railroads. It is our presumption that this practice will continue even though the authority to issue such orders is extended for a further period.

On December 2, 1947, the President transmitted a message to the Congress (H. Doc. No. 468, 80th Cong., 1st sess.) requesting

that the present authority of the United States Maritime Commission to operate, sell, and charter Government-owned vessels be continued. Under present law this authority expires on February 29, 1948. The Maritime Commission is now operating 1,200 dry-cargo vessels under charter and in addition, through general agents, is operating passenger vessels and tankers. Until they are sold to private owners it is necessary to keep these vessels in operation in order to maintain vital transportation services. Therefore, the committee believes that the request of the President for extension of the authority of the Maritime Commission should be granted. Our recommendation is intended to cover this point.

#### RECOMMENDATION NO. 5

The committee approves the Department of Agriculture's program of encouraging the conservation of grain in this country, including the marketing of livestock at weights and grades that represent the most efficient utilization of grain.

The President has recommended legislation to enable the Department of Agriculture to expand its program of encouraging conservation practices in this country (recommendation No. 6, first part).

The President's Food Committee, under the chairmanship of Mr. Luckman, initiated a program of enlisting the cooperation of livestock producers as part of its effort to conserve grain in the United States. Economy in the use of grain by livestock producers would doubtless be the greatest contribution possible to any program of grain conservation, as 75 to 80 percent of all the grain utilized in this country, exclusive of seed, is used for animal and poultry feeding. The Department of Agriculture made itself responsible for carrying out the informational and educational part of the program directed to livestock producers. In his appearance before the joint committee on November 17, Secretary Anderson requested specific legislative authorization for this voluntary educational program, and also mentioned the need of additional funds to finance it.

The Department of Agriculture, of course, as part of its regular extension programs gives farmers information on the most efficient utilization of grain as feed. Now that the conservation of grain is of such extreme importance the committee agrees that the Department should expand and intensify these efforts. Among the practices which appear to be especially deserving of emphasis in the Department's program are the elimination of rodents and other pests which consume grain, the culling of unprofitable livestock and poultry from herds and flocks, and improved methods of obtaining gains in the weight of meat animals and maintaining the production of milk when other feeds are substituted for grain.

Another aspect of this program is to encourage farmers on a voluntary basis, to market hogs at lighter weights and to put less finish on beef cattle, which practices also have the effect of reducing grain consumption and utilizing grain more efficiently, as recommended under point five of the President's program. The committee believes that the Department should continue, as it has done for the past few months, to emphasize this aspect of the grain-conservation program.

#### RECOMMENDATION NO. 6

The committee endorses the purpose of the program designed to increase the production of food in foreign countries for the purpose of reducing the drain on resources in the United States, and recommends that the Secretary of Agriculture submit a detailed program for the approval of Congress.

The President recommended measures designed to increase the production of food in foreign countries (recommendation No. 6, second part).



It should be recognized at the outset that a program of encouraging food production in foreign countries for the purpose of reducing the drain from the United States will have no effect in alleviating the present crisis because no results will be forthcoming in 1948. Nevertheless, in view of the prospect that the world food shortage may continue for some years, the committee feels that this program should be given detailed study by Congress and the executive departments.

To the extent that additional exportable food supplies become available from other countries, not only will the drain on our resources be relieved, but so will the pressure on prices, because more food will be made available for domestic consumers. Moreover, the world shortage of dollars might be alleviated somewhat in this way, since arrangements could presumably be made for foreign countries to buy food produced outside the United States for currencies other than dollars.

The committee, however, feels that the Department of Agriculture and other interested executive departments should submit to Congress a detailed statement of their intended programs, commodity by commodity. It is important that due consideration be given, not only to money costs, but to the amount and kind of scarce and essential goods that this country will have to export in order to induce foreign producers to increase their output of foods.

The committee has not been advised as to the relationship of the proposed programs to those sponsored by the United Nations Food and Agricultural Organization or its associated World Food Council, of which this Government is a member. This point should be cleared up before final approval of the proposed program.

#### EXECUTIVE SESSION

Mr. WHITE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Maj. Gen. Leslie Richard Groves, Army of the United States—brigadier general, assistant to the Chief of Engineers and lieutenant colonel, United States Army—for appointment as Army member of the Military Liaison Committee to the Atomic Energy Commission and Chief of the Armed Forces Special Weapons Project with the rank of lieutenant general under the provisions of section 504 of the Officer Personnel Act of 1947, which was referred to the Committee on Armed Services.

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on the Judiciary:

Peyton Ford, of Oklahoma, to be the assistant to the Attorney General, vice Douglas W. McGregor, resigned;

Joe E. Daniels, of New Jersey, to the position of Assistant Commissioner of Patents; Lawrence C. Kingsland, of Missouri, to the position of Commissioner of Patents;

Watson B. Miller, of Maryland, to be Commissioner of Immigration and Naturalization, United States Department of Justice;

Harry E. Pratt, of Alaska, to be United States district judge, Division No. 4, District of Alaska;

Sylvester J. Ryan, of New York, to be United States district judge for the southern district of New York;

Thomas P. Thornton, of Michigan, to be United States attorney for the eastern district of Michigan;

George R. Humrickhouse, of Virginia, to be United States attorney for the eastern district of Virginia;

Arthur J. B. Cartier, of Massachusetts, to be United States marshal for the district of Massachusetts, vice J. Henry Goguen, term expired; and

Charles M. Eldridge, of Rhode Island, to be United States marshal for the district of Rhode Island, vice Neale D. Murphy, resigned.

By Mr. COOPER, from the Committee on the Judiciary:

Herbert W. Christenberry, of Louisiana, to be United States district judge for the eastern district of Louisiana, vice Adrian J. Calhouet, deceased.

#### SUSPENSION OF RULE AS TO CERTAIN JUDICIAL NOMINATIONS

Mr. DONNELL. Mr. President, I ask unanimous consent that there be suspended with respect to the nomination of Hon. Roy W. Harper, of Missouri, to be United States district judge for the eastern and western districts of Missouri, and with respect to the nomination of Hon. John E. Parks, of Hawaii, to be third judge of the First Circuit, Circuit Courts, Territory of Hawaii, the requirement of rule XXXVIII of the Standing Rules of the Senate that nominations neither confirmed nor rejected during the session at which they are made shall not be acted upon at any succeeding session without being again made to the Senate by the President. This request meets the approval of the Senate Committee on the Judiciary.

The PRESIDENT pro tempore. Is there objection to the request made by the Senator from Missouri? The Chair hears none, and it is so ordered.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### UNITED NATIONS MILITARY STAFF COMMITTEE

The legislative clerk read the nomination of Lt. Gen. Matthew Bunker Ridgway to be senior United States Army member of the Military Staff Committee of the United Nations, with the rank of lieutenant general.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

#### DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Herbert S. Bursley to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Honduras.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Avra M. Warren to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Finland.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert M. Scotten to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to New Zealand.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. WHITE. Mr. President, I ask that the remaining nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the remaining nominations in the Diplomatic and Foreign Service are confirmed en bloc.

Mr. WHITE. Mr. President, I ask unanimous consent that the President be forthwith advised of all confirmations today.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

#### RECESS

Mr. WHITE. I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate took a recess until tomorrow, Thursday, December 18, 1947, at 12 o'clock meridian.

#### NOMINATION

Executive nomination received by the Senate December 17 (legislative day of December 4), 1947:

#### MILITARY LIAISON COMMITTEE TO THE ATOMIC ENERGY COMMISSION

Maj. Gen. Leslie Richard Groves, Army of the United States (brigadier general, assistant to the Chief of Engineers, and lieutenant colonel, U. S. Army), for appointment as Army member of the Military Liaison Committee to the Atomic Energy Commission and Chief of the Armed Forces Special Weapons Project with the rank of lieutenant general under the provisions of section 504 of the Officer Personnel Act of 1947.

#### CONFIRMATIONS

Executive nominations received by the Senate December 17 (legislative day of December 4), 1947:

#### UNITED NATIONS

##### MILITARY STAFF COMMITTEE

Lt. Gen. Matthew Bunker Ridgway, Army of the United States, to be senior United States Army member of the Military Staff Committee of the United Nations with rank of lieutenant general under the provisions of section 504 of the Officer Personnel Act of 1947.

#### DIPLOMATIC AND FOREIGN SERVICE

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO HONDURAS

Herbert S. Bursley

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO FINLAND

Avra M. Warren

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO NEW ZEALAND

Robert M. Scotten



## CONSUL AND SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

J. Russell Andrus

## CONSULS OF THE UNITED STATES OF AMERICA

W. Bradley Connors Elmer Newton  
 Joseph B. Costanzo James Dyke van Put-  
 G. Huntington Damon ten  
 Paul W. Frillmann Carleton W. Wash-  
 Julian P. Fromer burne  
 Frederick L. Jochem

## SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Ronald H. Allen George W. Edman  
 Orville C. Anderson W. J. Convery Egan  
 Henry F. Arnold Tag C. Grondahl  
 Albert E. Carter Ralph Hilton  
 Joseph E. Charles Owen R. Hutchinson  
 Morrill Cody Wallace Van Jackson  
 D. Eugene Delgado Garth P. James  
 Arias William C. Johnstone,  
 Donald C. Dunham Jr.

Edwin W. Kenworthy William G. Roll

Theodore B. Olson Douglas H. Schneider  
 Richard I. Phillips Walter K. Schwinn  
 James J. Robbins E. Bigelow Thompson

## VICE CONSULS OF THE UNITED STATES OF AMERICA

Sverre M. Backe Andrew E. Hanney  
 Leonard N. Caswell Reed P. Robinson  
 Stanley R. Chartrand John W. Thomason 3d  
 Gilbert E. Clark Hugh N. Whitaker  
 Wallace Clarke Fred M. Wren  
 Don A. Gribble

spend so much time in hotels, some knowledge of the hotel industry and its problems should be of interest to them.

#### USEFUL KNOWLEDGE

Here is one fact which many businessmen, who are familiar with it, have been able to use to advantage; commercial hotels are less crowded during the latter part of the week than during the first part. It is easier, therefore, to get rooms needed for meetings, conventions, or overnight lodging, from Thursday through Sunday.

The opposite is true of resort and pleasure hotels, which are filled during the last days of the week with week-end vacationists, and are comparatively uncrowded during the early part of the week.

One of the biggest headaches to those in the hotel business is the "no show," a person who makes a reservation which he fails to claim, but never cancels. He not only deprives other persons of accommodations, when the room is held, but also deprives the hotel of its revenue. A hotel room is one of the most perishable commodities on the business market; there is no way to salvage even a part of the revenue lost on one when it remains empty.

#### SIZE OF INDUSTRY

The Nation's hotels provide rooms for about a million and a half guests each night. Occupying some of the most expensive real estate in their respective communities, they represent investments totaling \$5,000,000,000, and are important taxpayers. About 362,000 persons depend on their pay rolls.

During the war most hotel men faced an unprecedented demand for rooms at a time when many of their experienced employees were in the armed forces or war plants. Unable to maintain their usual standards of service under these conditions, they had to adopt practices which would provide adequate accommodations for the maximum number of persons.

Because of this high percentage of occupancy, the gross income of many hotels reached an all-time high. Profits were good too, but not as good as they appeared to be, because many normal and ultimately essential expenditures were prohibited by wartime shortages. Equipment wore out and could not be replaced. Neither could damaged furniture, and often it could not be repaired. Hotel renovation, normally a more or less constant operation, was dishearteningly slow and inadequate when it was possible at all.

#### ILLUSIVE PROFITS

Funds which would have been spent on these things, had labor and materials been available, could not be saved for the day when the expenditures inevitably must be made. Instead they became part of the hotel's profits, subject to heavy taxation. With a return to peacetime conditions hotels embarked on a program, still in progress, of replacement, renovation, and alteration which the American Hotel Association estimates will involve an expenditure of \$360,000,000.

A great deal of this money is being spent to incorporate fire-safety principles learned from the Winecoff disaster and other recent hotel fires. Salient lessons learned from these fires are the importance of eliminating vertical openings which act as flues, spreading flames from floor to floor; sealing transoms through which smoke and fumes could spread from hall to room; and providing enclosed escape stairs protected by fire doors at every floor.

#### LEVEL OF OCCUPANCY

The labor problem has been relieved since the end of the war, and, in most sections, hotels still enjoy high occupancy percentages. They are operating profitably. If they are to continue to operate profitably, however, they must maintain this high level of occupancy; it would be disastrous for them

to drop back to a level considered "pretty good business" before the war. In 1940 the average hotel could break even if it kept 65 percent of its rooms filled. Today it is necessary to fill 84 percent to make expenses, and the margin threatens to become even more narrow.

Reason for the decreased margin of profit, as most businessmen can guess, is the increased cost of labor, equipment, and operating supplies. United States Bureau of Labor statistics show the hourly wages of hotel employees have risen 78 percent since 1941. Cost of supplies and equipment has risen somewhat more, and, of course, taxes have increased. Most hotels lifted their rents slightly when transient were decontrolled, but, broadly speaking, their volume of business is limited by physical capacity, while there appears to be no limit in the advance of operating costs. To grasp an idea of the enormity of the hotel pay roll, figure what it costs to keep one servant in a home for a few hours each day, and remember the vast services a hotel must maintain 24 hours a day.

#### NEW HOTELS?

Do we need more hotels? Persons who are unable to obtain rooms when they want them, and groups which cannot schedule conventions on the dates they prefer, are sure that we do. Hotel men, however, are more cautious.

The question must be localized to individual communities, of course, and the answer depends upon conditions affecting each community. Unquestionably, more hotel rooms are needed in many sections today, but veteran hotel men question whether the current demand for accommodations will continue. They remember the building spree set off by the apparent need for more hotels following World War I, and the bleak years of the early thirties when 81 percent of the Nation's hotels were in bankruptcy or suffering serious financial loss. This is not to say they believe any new construction would be unwise; they simply approach the problem with the caution of experience.

While many hotel men are planning to expand their present facilities, most of them feel that the current scarcity of materials and high cost of building renders new hotel construction, from the ground up, impractical, if not impossible. Experts estimate the cost of a new hotel in the South to average about \$10,000 a room; in some other sections it is as high as \$14,000; also, experience has shown that old hotels enjoy certain advantage over new ones under competitive conditions; regular transients generally prefer the familiarity of long-established houses, provided these are comfortable and properly managed, to the newness of new hotels.

New hotels will be built where they are needed, and no doubt many will spring up where they are not needed, but it appears evident there will be no widespread construction in the near future. Construction costs must drop before many investors can feel they can get a fair return on the dollars poured into a new hotel.

### Congress Should Adopt Voting Machines

#### EXTENSION OF REMARKS

OF

**HON. RUSSELL V. MACK**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. MACK. Mr. Speaker, pursuant to permission granted me to extend my remarks in the RECORD, I desire to insert

an editorial from the Spokesman Review of Spokane, Wash., which is one of the greatest daily newspapers in the State of Washington.

The Spokesman Review editorial highly approves the bill of the gentleman from Nebraska [Mr. MILLER] which would provide for the installation of voting machines in Congress for taking roll calls. I am in complete agreement with the purposes of the Miller bill.

The editorial follows:

#### GIVE CONGRESS A VOTING MACHINE

Push-button warfare may be a long way off, but push-button voting in the House of Representatives in Washington will soon be a reality if Nebraska Congressman A. L. MILLER has his way.

Mr. MILLER has introduced a bill calling for the installation of mechanical voting machines to replace the time-consuming roll calls of the membership that frequently take place every day.

Anyone who has ever visited the House or Senate Chamber in the National Capitol usually comes away with two distinct impressions about Congress. The Members present at the usual legislative session rarely seem to pay attention to the man who is speaking, and the methods of voting are slow, antiquated, and boring.

People back home should not criticize their Members of Congress too severely for not sitting through each legislative session. If he did nothing but sit and listen to some colleague drone on and on he'd never get his letters answered nor do his messenger work around the scores of Government offices in Washington.

Every Congressman's constituent, however, has a right to demand an end to the roll-call method of voting, by which a clerk hollers out the name of each of the 435 legislators, who respond in turn with an aye or a nay on the measure under discussion. This procedure now takes about 45 minutes for each vote. Several roll calls in one afternoon can thus easily kill a whole day.

Push-button voting could enable each Congressman to register his opinion almost simultaneously with that of other Members. A totalizer board could flash the results momentarily and could record the total vote.

In this day of electronic marvels isn't it about time that Congressmen adopted a modern method of casting their ballots?

### Veterans' Reemployment

#### EXTENSION OF REMARKS

OF

**HON. GORDON L. McDONOUGH**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. McDONOUGH. Mr. Speaker, many people believe that veterans' reemployment is now practically completed with most veterans of World War II already placed in suitable positions. But this is not true.

Not only do we still have some disabled veterans who are waiting for employment and others who will need jobs when discharged from veterans' hospitals, but we also have over a million veterans in our schools and universities who will seek jobs upon completing their education within the next few years.

Our obligation to provide employment for our veterans of World War II has



not been discharged until all of them have jobs including 1,350,000 who are now enrolled in educational institutions. The problem of finding suitable positions for these young men is a big one, and we are facing it now.

The following report from the Labor Department bulletin, Labor Information, outlines this problem of jobs for veterans who sought to complete their education:

In his 1947 annual report, Perry Faulkner, chief of the Veterans' Employment Service, calls attention to a big job facing the employment services—that of finding employment for 1,350,000 World War II veterans who enrolled in educational institutions this fall, and will leave school in later years.

"The task of finding employment for the veteran who left the service over the last 2 years and sought employment in the civilian labor force largely has been completed," Faulkner said. "The big bulk of the nearly 13,000,000 veterans who sought employment are now gainfully employed.

"But finding jobs for veterans still remains a major activity of the employment service. One of the biggest tasks before us is assisting veterans who have taken advantage of the educational provisions of the GI bill to secure the right kind of jobs when they graduate or leave schools and colleges. This is not a distant problem. It is with us right now. Each month many thousand veterans leave school for one reason or another and enter the labor market. In January and again next June, large groups of former soldiers, sailors, and marines will be graduated or leave to go to work. Over the next couple of years perhaps a million of these veterans will seek jobs.

"Employers who have been hiring veterans in unprecedented numbers over the last few years have found that these men are premium manpower. They are young, ambitious, anxious to get ahead. The men who have deferred entering the job market to increase their earning ability and usefulness by taking scientific, professional, business and administrative, and other college courses are the cream of the crop.

"Veterans who were graduated from colleges this last year had little difficulty in finding employment. What job prospects will be for the veterans who graduate this coming June and the year following will depend to a great extent upon general economic conditions. If employment remains high, their job problems can be solved through well-planned, vigorous placement programs. If a recession occurs they will face the same problems as other unemployed persons with the added handicap that they have had no previous experience on the job."

Faulkner said the major part which the employment service has taken in securing employment for veterans is indicated by figures showing local employment offices made more than 3,700,000 veteran job placements since the war's end.

### So-Called Stabilization of Commodity Prices

#### EXTENSION OF REMARKS OF

**HON. PETE JARMAN**

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

The House had under consideration House Joint Resolution 273, to aid in the stabilization of commodity prices.

Mr. JARMAN. Mr. Speaker, in view of what happened on the floor Thursday

and all other circumstances, it was but natural for me to have been dumbfounded when I read yesterday that the Republican leadership would probably bring this purely political bill up under suspension of the rules so that it cannot be amended and debate is limited to 40 minutes. Think of bringing legislation relative to at least the second most important question which confronts America today, if not the first, to the floor without hearings—and members of the Banking and Currency Committee have repeatedly stated that no hearings have occurred on this bill—and under a procedure by which it cannot be amended and can be debated only 40 minutes.

The President submitted a program along two definite separate lines. We debated one of them six full days after elaborate committee hearings and what I considered much waste of time. But for the unnecessary waste ample time would have remained to appropriately consider this important phase of the situation which confronts us. Because of it, I suppose, this phase of it now comes to the House for only 40 minutes debate after no hearings whatever. It was my belief that the aid bill was being deliberately delayed to prevent acting to curtail inflation which caused me to loudly criticize the tweedledee and tweedledum which was causing that delay.

On page 11428 of last Thursday's Record we find that the majority leader the gentleman from Indiana [Mr. HALLECK] said:

Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Saturday next to file reports.

Shortly thereafter the gentleman from Virginia [Mr. SMITH] inquired of the majority leader his reason for having indulged in this request. Replying that he would be glad to explain, the majority leader referred to the anxiety to conclude the program in time for Members to reach home by Christmas and said:

Moreover, there is a high degree of urgency in connection with all these matters. If these bills are reported from the Banking and Currency Committee, it will be our plan that the Committee appear before the Committee on Rules and if the Committee on Rules sees fit to grant rules making these measures in order, that they might be taken up early next week.

Why, Mr. Speaker, was not the regular, normal procedure of securing a rule which could have provided for amendment and adequate debate not followed, particularly in view of that statement so recently made by the majority leader? I have no recollection of any measure having come to the floor from the Banking and Currency Committee under such gag circumstances as suspension of the rules during my 11 years as a Member of this body. I am told by those who have served longer that they do not recall one. Consequently, the answer to the question I propounded a moment ago appears to be "politics, politics, politics."

Under these circumstances, coupled with the fact that the average Member of the House has enjoyed no opportunity whatever to familiarize himself with the bill and must simply cast his vote on the basis of what he is told, I cannot get my consent to betray the people of the

United States by voting for this legislation which has been referred to by responsible members of the Banking and Currency Committee as so very vicious. I doubt whether the majority of you can and I am quite confident two-thirds of you cannot. I am strongly of the opinion that our Republican friends are well aware of this fact and that this effort is merely a cheap, senseless attempt to transfer the blame for fiddling while Rome burns from their shoulders to ours. In making it I believe they underestimate the intelligence of the American people, who I predict will not forget.

### Termination of Foreign Ministers' Conference

#### EXTENSION OF REMARKS OF

**HON. GEORGE MacKINNON**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. MacKINNON. Mr. Speaker, because of the importance of the recent termination of the Foreign Ministers' Conference, under leave to extend my remarks, I include the following text of the statements by Secretary of State Marshall at the final session of the Foreign Ministers' Conference in London on December 16, 1947, as reported in the Evening Star, Washington, D. C., December 16, 1947:

#### TEXT OF MARSHALL STATEMENTS

LONDON, December 16.—Texts of statements by Secretary of State Marshall at yesterday's final session of the Foreign Ministers' Conference, as made available by the American delegation.

General Marshall began the discussion with the following statement:

"The United States came to this conference to work for a comprehensive settlement which would overcome the present division of Germany. It hoped to obtain agreement on a treaty for Austria and the reestablishment of that country as a free and independent state.

"As regards Germany, the United States sought to achieve at this meeting a solution which would revive German economy through economic unity, thus enabling Germans to contribute to the restoration of Europe, which has so grievously suffered from German aggression. The United States recognized that Germany in its present state of destitution would require outside assistance and was prepared to accept a fair share of the burden of such aid until a unified Germany could become self-sustaining.

"The Soviet delegation Friday evening put forth a statement regarding reparations which, to put it in the simplest of terms, is not at all acceptable to the United States delegation. That is the situation as I now understand it."

#### SECOND STATEMENT MADE

Later in the meeting, after Mr. Bevin had spoken, General Marshall made this statement:

"We have reached, quite evidently, a fundamental difference regarding the question of reparations. Mr. Molotov's last statement seemed to me a repetition of statements which we largely felt were without foundation. Now at the expense of some repetition of the views Mr. Bevin has just stated, I would like to review the situation as it is seen by the United States delegation.



## For Peace in Two Worlds

### EXTENSION OF REMARKS OF

**HON. LEROY JOHNSON**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. JOHNSON of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an editorial from the Washington Evening Star of December 16.

I believe that the editor is correct in that we may have two worlds instead of one for the purpose of bringing about international security and peace. If Russia continues her obstructive and delaying tactics, I believe we should join with all of the other countries of the world who are willing to join us in trying to find some way of developing a system of international security. Only in that way can we feel certain that we are going to have reasonable assurance of security in the future. In the atomic and scientific age which we have entered we must find some means of avoiding a war. Otherwise, all of us may perish. The article referred to reads as follows:

#### FOR PEACE IN TWO WORLDS

The London meeting of foreign ministers has ended in a bleak failure for a reason that is at once simple and obvious. As Secretary Marshall has said, France, Britain, and the United States were ready and eager to make it succeed, but Russia was not, and that is the sum of the story.

From the moment the conference opened, Foreign Minister Molotov seemed certain to adhere to a line calculated to kill it. That he did so is not really surprising, but it is instructive. It makes clear beyond doubt that the Soviet Union at this juncture—unless it can have its own way—has no desire to write an Austrian peace treaty or to make a definite beginning on a German settlement.

This policy can hardly be explained as anything but a policy designed to keep the Red army deep in Europe as long as possible and to promote and perpetuate abnormal conditions in order to make it easier for the Kremlin to entrench and spread its dominance as far west as it can. It is not a peace policy; it is a wrecking policy—a policy that the western powers could never accept without surrendering the continent.

It is a policy, moreover, that the Russians appear determined to pursue for a long time to come. It fits in perfectly with their worldwide program of obstruction, noncollaboration, and vilifying propaganda against the United States, Britain, France, and all other like-minded nations. The spirit that animates it is the same spirit that animates the Soviet position in Korea, the Soviet paralysis of atomic control, the Soviet boycott of the Balkan "watchdog" commission, and the violent Soviet opposition to such great undertakings as the projected long-range European recovery program. The collapse of the London Conference serves merely to round out the picture and to indicate that the men of the Kremlin, far from having a change for the better in mind, are bent on following a lone-wolf course, come what may.

In such circumstances there seems little or no reason to hope for a near-future bridging of the gulf between east and west. The idea we must now get used to is that this situation—this grim division of the world—is not likely to end for many years,

if ever. The failure at London leaves scant room for doubt that the dream of collective security on a global scale, with all lands working together, is still only a dream, and a very remote one at that. This does not mean, however, that mankind has had its last chance for an enduring peace and has lost it. War is not inevitable by any means. America and the other free and independent countries of the earth have overwhelming power among them, and there are things they can do to insure their common safety.

France, Britain, and the United States, for instance, can now unify their three zones in Germany into a great force for the good of the Continent. The 16-nation European recovery program can be effectuated. We can see to it, through the machinery of the United Nations and our own American efforts, that countries like Greece and Italy are not robbed of their independence. We can cultivate powerful economic and political ties with our friends abroad, and with them we can intensify informational programs designed to spread more and more light behind the iron curtain. Above all, always leaving the door open for an agreement with Russia, we can maintain our military readiness at the level demanded by the present situation.

If a program of this sort is carried out by the United States and like-minded powers, at least part of the world—a large part—will be able to organize its own system of collective security, and it may even succeed in eventually persuading the Russians to come in. The "if" involved is a crucial one, of course, and there is no certainty that it will be met. Assuming the best, however, the cooperating nations can do much to guarantee their own safety even if the Soviet Union chooses to keep the globe split in two. Grave as it is, the London failure does not justify despair. We still can have peace if we work for it.

## Waging the Peace

### EXTENSION OF REMARKS OF

**HON. CHET HOLIFIELD**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. HOLIFIELD. Mr. Speaker, the problem of how to obtain universal peace is the most important one that faces the world. If we are to have an atomic or biological war, we know it will mean practically the destruction of civilization and will probably usher in a new dark age. Intelligent people throughout the country are thinking and speaking on this problem, to their friends and neighbors.

An article written by the Honorable Ralph C. Dills of the Sixty-ninth Assembly District of the State of California, has recently come to my attention. This article appears in the December issue of the California Teachers Association Record, southern section.

Because of the vital message contained in this article and because it will be read by many of our leading educators in southern California, and because of our high regard for the character and ability of Assemblyman Ralph C. Dills, under unanimous consent I include his article in the Appendix of the CONGRESSIONAL RECORD, as follows:

#### WAGING THE PEACE

(By Assemblyman Ralph C. Dills, Sixty-ninth District, California)

Blessed are the peacemakers, for they shall be called the children of God. (Matthew 5:9)

Nearly 2,000 years ago the Prince of Peace taught men how to live together as brothers. Yet man has not learned the lesson of the Master Teacher. We have with the centuries learned to wage war effectively; we have made little progress in waging peace.

A glance at the figures showing some of the results of World War II allied air raids demonstrates our warring ability: Killed 560,000 individuals; wounded 1,192,000 individuals; homes demolished or burned, 5,810,000; individuals made homeless, 16,700,000.

This amazing destructive power, however, is now as obsolete as the dreaded German Zeppelin of 1915 to 1918 which in raids over England in those years killed but 435 individuals and wounded 1,069 others.

But what of the future? Listen to the scientists! They tell us that there is no defense against atomic warfare. Even if we could be 90 percent effective in intercepting piloted bombers or pilotless missiles the 10 percent penetrating defenses could wipe out any target.

Bombs now available are fifty times more powerful than the primitive Hiroshima and Nagasaki type and, as if this were not enough to fill our souls with a sense of impending disaster, we learn from Rear Adm. Ellis M. Zacharias, USN (retired), the wartime Deputy Chief of Naval Intelligence, that there are other absolute weapons of chemical, biological, and climatological types capable of exterminating from the face of the earth the last vestige of human, animal, and even vegetable life. They are being manufactured now! They are not an American monopoly and are of such a nature that small nations with limited industrial facilities may develop them. (United Nations World, November 1947.)

Yes, there is no longer doubt of our ability to wage a war which will mean the extinction of civilization. The ordinary person in all lands knows this and his faith in the probability of ending all wars is at an all-time low.

As never before the teacher, the clergyman, the civic leader, the man in public life must teach, preach, and practice the belief that we are on the threshold of everlasting peace. We must understand that peace can no longer be a static or negative thing. We must wage peace in a new and dynamic manner.

A recent survey disclosed that 86 percent of those questioned indicated that they had a direct and active part in some phase of winning the war. Only 36 percent believed they were making contributions toward winning the peace. How can this situation be altered? Here are some suggestions:

First, we must attack the basic causes of war, the sources of irritation and friction. The existence or threat of starvation and want at home or abroad creates a fertile breeding ground for conflicts which grow into major international problems. Lack of food, raw materials, and health facilities must be dealt with on an international scale and with sympathy and understanding.

Second, the problem of ignorance which is the source of the malice, hate, distrust, and misunderstanding that lead to strife and war must be attacked with even greater resources, vigor, and vision than we employed in successful prosecuting the war. The Sermon on the Mount might well be a good guide for future action and attitudes. The elimination of educational inequalities in America which resulted in 350,000 draftees being unable to sign their names—could well be "operation immediate." Only by adequate Federal aid to education can we cope with this problem.

Third, we must believe that war is not inevitable and that man can live in peace.



The preamble to the Constitution of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) declares that "since wars begin in the minds of men, it is in the minds of men that the defenses of peace must be constructed." We must have faith in the United Nations Organization, in UNESCO, and all of the special organizations established by those who are endeavoring with ever-increasing success to lay a foundation for a new era of peace and plenty.

Fourth, we must undertake as a personal duty and responsibility a study of world problems, international affairs, and international peace organizations. We must daily strive to do something worth while and significant to promote true democracy, good will, and understanding among those with whom we come in contact. Above all, each of us should acquire a sense of personal responsibility for promoting in every conceivable manner the cause of world peace. None of us is too unimportant. We have to face the fact that we are in all-out fight to save our own lives and our civilization. Death and total destruction are the alternatives. An unknown author in the following words has caught the spirit of the need of our times:

"I AM ONLY ONE

"I am only one;  
But, I am one.  
I cannot do everything  
But I can do something.  
What I can do, I ought to do;  
And what I ought to do,  
By the grace of God,  
I will do."

The peacemakers of the world cannot draft your services. But what you can do toward waging the peace, they fervently hope you will do.

### August H. Scheid: 50-Year Veteran of School Boards

#### EXTENSION OF REMARKS OF

**HON. ALVIN F. WEICHEL**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. WEICHEL. Mr. Speaker, the days of the little red schoolhouse have about ended in Ohio, and I want to pay tribute to a man who has served more than 50 years on boards of education in Erie County, having done much for rural education. I am including a news item from the Cleveland Plain Dealer covering the service of August H. Scheid:

**STARTS FIFTY-SECOND YEAR ON SCHOOL BOARDS—OHIOAN ENDED REIGN OF LITTLE RED SCHOOLHOUSES**

**SANDUSKY, Ohio, November 22.**—August H. Scheid, of neighboring Huron Township in Erie County, instrumental in bringing about the abolishment of the one-room little red schoolhouses today is entering his fifty-second year as a member of county and township school boards.

It was in April 1896, that he was first elected to a post in the county educational system and his service of more than a half century is believed to be unequalled in Ohio.

In the same year, he was elected township clerk and he also was ex officio clerk of the board of education. His opponent for the clerkship was the late John C. Drake of Kimball, a former State senator.

Scheid at the November 4 election was again reelected for his eighth 4-year consecutive

term to the Erie County school board and of which he is president. He and Dr. E. C. Alexander of Castalia were unopposed at the polls.

#### CAREER STARTED IN 1896

His first election to the county board came in 1919, and prior to that time he was on township boards. His educational career began with his election as an Oxford Township member in 1896.

He recalled that 50 years ago teachers in the one-room rural schools received a salary of \$22.50 a month, and remembers that instructors in those early days were more plentiful than in the present day. At one time he recalls 26 applications for positions as teachers in four one-room schools, 22 more than the number required.

He was instrumental in closing the first one-room school in Erie County, which had only six pupils.

He attributed the recent teacher shortage to the fact that salaries for teachers have not kept pace with those paid in private industry.

### Stabilization of Commodity Prices

#### EXTENSION OF REMARKS

OF

**HON. JOHN C. KUNKEL**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. KUNKEL. Mr. Speaker, under permission to extend my remarks, I am including a radio speech made by me on Sunday, December 14, over Station WHP in Harrisburg, Pa.:

Last Thursday, December 11, President Truman held a press conference at which he announced his flat rejection of the Wolcott bill to stabilize the national economy and to aid in curbing inflationary tendencies. He said further that he would send down some specific suggested legislation on this subject within the next few days.

The special session is nearing its close. It could not last longer than early January of next year when the regular session is due to start. It is a legislative impossibility for the Congress to consider and act upon these proposals of the President's during this session. Mr. Truman spent 10 years in the Senate. He knows this just as well as does every Member of Congress. The purpose of his making such statements now—nearly a month after the special session began—can be rationalized only on the ground of being a purely political maneuver. When President Truman vetoed the price control extension bill in 1946 on the day the old law expired, he knew then it was a legislative impossibility for the Congress to enact a substitute bill without a gap during which prices would gyrate and go completely out of hand. As the leader of his party then, he knew his own party was split wide open on many phases of price legislation. He insisted upon disorder. He created it at the sacrifice of the national interest in 1946. He added to the flames when he threw all orderly controls out of the window by his own actions in the fall of 1946.

The Republican proposals in the Wolcott bill contain everything which the many Cabinet members, testifying before our committee, indicated the President would do at this time or in the immediate future. Even if the President were given the most unlimited grant of powers imaginable, the Cabinet members insisted that only voluntary controls would be tried for a considerable period of time. They said that any more drastic

future steps would only be taken if it developed that voluntary controls would not work. From that point on, the suggestions of the Cabinet members became increasingly vague and contradictory. No one could tell just what they meant. They could not tell what they would do, nor how they would do it. Remember this, the present bill does cover completely all that was to be put into effect during the next few months.

Mr. Truman took the occasion of this press conference to demonstrate his complete lack of knowledge of the bill itself. He criticized the provision permitting consultation and agreement between the Government and representatives of industry, business and agriculture in respect to the problems indicated below in the quotation from the bill itself. The President attacked this violently as a complete disregard of the antitrust laws. It might be well to read this provision in full so that you can judge for yourself just what it says and does:

"Sec. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making by persons engaged in industry, business, and agriculture, of voluntary agreements—

"(1) providing for allocation of transportation facilities and equipment;

"(2) providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain;

"(3) providing for allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production;

"(4) providing for regulation of speculative trading on commodity exchanges; or

"(5) which will otherwise carry out the purposes declared in section 1 of this joint resolution.

"(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

"(c) Parties to any agreement approved under this section are hereby relieved from the operation of the antitrust laws, and of all other restraints, limitations, and prohibitions of law, with respect to the making of such agreement and with respect to carrying out such agreement prior to March 1, 1949, in conformity with its provisions.

"(d) As used in this section the term 'person' means an individual, corporation, partnership, or association."

You will notice:

1. The representatives of industry, business, and agriculture are authorized to consult with the President or his designated representatives.

2. The President is authorized to approve any such agreement only when he finds it will carry out the declared purposes.

3. He is directed not to approve any agreement which provides for the fixing of prices or which extends beyond the effective date, March 1, 1949.

4. The President is not required to approve any agreement unless he feels it is wise; therefore, no agreement entered into can ever be valid unless the President, himself, approves that specific agreement. The only possible way in which the antitrust laws could ever be infringed upon under this law would be if the President, or his designated authorities, attempted to violate them or connive in their violation. Presumably, the President would designate the Attorney General to perform this duty. The attorney general has the responsibility of enforcing the antitrust laws.



The best comment I have read on this statement of Truman's appeared in the Washington Star, a paper usually friendly to the President. The Star said, "President Truman's do-or-die stand in behalf of the untouchability of the antitrust laws might be touching if he were not so egregiously wrong about it." The President's position is made more ridiculous because Secretary of Commerce Harriman on that same Thursday submitted proposals for compulsory enforcement of priorities and allocations to the Senate Judiciary Committee. In these Harriman proposed industry agreements more sweeping than those permitted under the present House bill.

The present system seems to be for each Cabinet member to bring in some suggestions. The first one was brought up by Harriman on Thursday. Then the Cabinet member makes it clear to the Congress that he is speaking only for himself and distinctly not for the President or the administration. Secretary Schwellenbach proposed some others on Friday and said he would propose some wage controls later. He was careful to describe them as "his personal recommendations," thereby avoiding any possibility of their being construed as administration recommendations. Despite his public statement about sending up suggestions to the Capitol, the President has not done so as yet. He is obviously leaving himself free to repudiate the recommendations of his subordinates if and when they prove unpopular or are found to be unworkable.

The bill also extends export controls and the power to allocate transportation facilities for a year. By adequately using these powers already, at his disposal, a great deal of the impact of the foreign aid program on prices could have been cushioned. The bill also permits the President to exercise any authority granted through any department, agency, or officer in the executive branch of the Government. Lastly, it increases the reserve requirements applicable to Federal Reserve Banks from 25 to 35 and 40 percent. This is the same reserve required for years prior to 1945. It was lowered in 1945 at the request of the executive branch of the Government. The President was then openly advocating inflation. As a matter of fact, the inflationary policies of President Truman during the last half of 1945 (although somewhat forgotten today) have more to do with present high prices than any other one factor, with the possible exception of the huge shipments overseas of goods in short supply in this country. It was then he forced the increase in the price of steel, finally resulting in an increase of \$5 a ton early in 1946. This price increase was reflected all along the line. It created a major dislocation in the entire price structure which was then under price control.

This reserve requirement provision is intended as an initial step toward "tightening up credit and deterring inflationary pressures." It will have little, if any, present effect except psychologically. It does recognize the dangers in the potential credit availabilities in our Nation. The Federal Reserve Board and many other Government agencies under their existing powers could have taken many steps during the past 2 years to restrain inflation, if they had been disposed to do so. Generally, these steps have not been taken. The usual policy has been to neglect and ignore the use of powers at their disposal, thereby avoiding responsibility for what might happen through the exercise of the powers. The next step was to come up to the Congress and request new and more sweeping powers in order to combat an alleged crisis, the situation having been created or at least made worse by their own failure to carry out judiciously and fairly the duties previously placed upon them.

No one claims this bill is a cure-all for high prices. You cannot pump billions into the spending stream of the Nation year after year and you cannot continue to ship a huge volume of our products out of the country without there being a long, cumulative effect. You cannot offset this in a day. Haste and ill-considered action could easily curtail production here at home, thereby causing far more harm than good. We must maintain and increase production. If our production recedes it will lower the standard of living here and jeopardize any foreign-aid program which we might contemplate. Our standard of living depends upon goods created. Foreign aid depends on goods far more than upon dollars. You could easily slip back to the troubles and shortages of the OPA if you did not avoid the errors of the past which occurred in that program and particularly in its administration. There is a wide difference of opinion on what should be done. The present bill represents what can be done at this special session. The committee looks forward to further action early next year. If certain controversial issues had been included in the proposal, the chances of the passage of any legislation at all on this subject during the balance of this year would have been nil. There is a wide difference of opinion now, as there was in 1945, in both parties on how many phases of this general subject should be handled.

You can summarize the present bill by saying:

1. It is the maximum which can reasonably be expected to go through the Congress to final enactment in the allotted time of the special session.
2. That it gives the President everything which his Cabinet members have decided he would do as of the present and immediate future.
3. It provides the necessary ground work upon which any future action will necessarily rest.

On some of the issues President Truman would probably be opposed by at least one-half of his own party in Congress. You can check this by looking at the votes when these same issues were voted upon in one form or another in sessions of past Congresses. Even the present bill has provoked some argument.

### Labor-Management Act of 1947

#### EXTENSION OF REMARKS OF

**HON. KENNETH B. KEATING**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. KEATING. Mr. Speaker, there have been so many exaggerated and misleading adjectives bandied about, regarding the Labor-Management Act of 1947, that it would not be surprising if the public gained an entirely inaccurate picture.

One labor union member of my congressional district, however, voices the sentiments of all working men and women, who thoroughly understand this law, in a letter to the Rochester Times-Union of Rochester, N. Y.

The editorial comment on his letter is set forth below under leave to extend my remarks:

#### TAFT-HARTLEY LAW BAD FOR WHOM?

Tom Crinnen, of Rochester, wrote the editor of the Times-Union that the Taft-Hartley law "will be a God-send to men and women working for a living."

How different that from the cries of "slave-labor law" raised by some of the big union bosses!

Where lies the truth?

No law is perfect. But the Taft-Hartley law definitely is in the right direction and any faults can be corrected as we go along because machinery is provided for periodic review.

The law aims at equal justice for the lowliest member of a union no less than for the top union official; for the little employer no less than for the man employing thousands.

The self-seeker who says it's all bad should be asked: "Bad for whom?"

Certainly, Tom Crinnen holds, it's not bad for the workingman.

A lot of people, as we've remarked before, are just finding out what the law really is and does. As more and more learn the truth the feeling against those who've been misrepresenting it is apt to be something to see.

### Hudson County Bar Association Dinner

#### EXTENSION OF REMARKS

OF

**HON. EDWARD J. HART**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mr. HART. Mr. Speaker, one of the outstanding functions of the year in the New York metropolitan area is the annual dinner of the Bar Association of Hudson County, N. J. Last Saturday marked the seventieth anniversary of this important and delightful function. There were in attendance more than 900 diners, nearly all of whom were lawyers. The special guests were Hon. John F. Drewen and Hon. Thomas J. Stanton, presiding judges of the Hudson County court of common pleas. The other guests were Hon. Clarence E. Case, chief justice of New Jersey and the remaining members of the supreme court, Hon. A. Dayton Oliphant, the chancellor, and vice chancellors; the lay judges of the court of errors and appeals; the judges of the circuit court; and Hon. Gerald McLaughlin, judge of the United States circuit court of appeals, judges of the United States District Court in New Jersey, Hon. Paul J. Duffy and Hon. August Ziegner, judges of the Hudson County court of common pleas, together with Hon. Thomas J. Brogan, former chief justice of New Jersey, Hon. Luther A. Campbell, the former chancellor, Hon. David Nimmo, judge of the Hudson County juvenile court, Hon. Marshal Van Winkle, Hon. David A. Pindar, advisory masters of the court of chancery, and Hon. Joseph Summerill, Jr., president of the New Jersey State Bar Association.

The toastmaster was Hon. William T. Cahill, referee in bankruptcy and president of the Hudson County Bar Association.

The guest speaker of the evening was the distinguished United States Senator from Illinois, Hon. SCOTT W. LUCAS. He delivered an eloquent and thoughtful address, and received from the large audience, which included many of the most eminent members of the New Jersey Bar, rapt attention and well-deserved applause. At the close of the dinner, Senator LUCAS was the recipient of many con-



gratulatory expressions from those who were moved to admiration by his speech, which I herewith append:

I am delighted at the opportunity of speaking to the lawyers of the Hudson County Bar Association of the State of New Jersey. I am convinced that those of us who are skilled in the arts of the law have a special and peculiar responsibility in helping maintain the blessings of liberty which are being threatened seriously throughout the world.

Our country has enjoyed the advantages of democratic government for over 170 years. Today we are the leaders of mankind in every human endeavor. It is admitted that ours is the greatest and most celebrated form of government in the eyes of freemen everywhere.

As we watch the uncertain and tragic developments in nations of the Old World, it should be a source of great pride to every American patriot that in the Government of the United States we find strength, confidence, and stability. We are proud that we have been able to resist the influences which have altered radically the forms of government in the rest of the world. But, my friends, I sometimes wonder whether we are all awake to our solemn responsibilities as freemen to cherish and defend the way of life we hold so dear. My doubts stem not only from what is going on in Europe and Asia today, but also from what is occurring within our own borders. We know that subversive forces labor aggressively in seeking to undermine our institutions. We see smugness, complacency, selfishness, and greed as a cancerous growth on the body politic.

A cynic once said that people tend to have the form of government which they deserve. Despots and tyrants, on that theory, are the reward of peoples who do not hold liberty dear. Because we were a free people yesterday, because we are a free people today, it does not follow that we shall be free tomorrow. As a people we shall continue to be free only if we are prepared to defend our liberties against encroachment from whatever source, with the same devotion and self-sacrifice as the great patriots who threw off the yoke of England and established the Government of the United States of America.

The ideal toward which those patriots were working was best expressed by John Adams, contained in the bill of rights of the Constitution of Massachusetts, that the American Government should be a government of laws and not of men. This phrase which slips so easily off the tongue is pregnant with meaning. It is a shield against the arbitrary and capricious exercise of power by elected officials of the Government. No action of an individual can be visited with punishment unless a law condemns such action. Each of us can govern his conduct in accordance with the law, safe in the knowledge that if we have truly followed the law we need have no fear of the consequences.

But for lawyers, the expression has a special meaning. A government of laws implies that there will be lawyers to write the laws, and judges who will interpret the laws and try your cases.

But, in all seriousness, without the help of skilled men to provide and to interpret the law, there can be no government of laws. And throughout the whole of American history, the lawyer has played a role of which we today, the inheritors of a great tradition, should be justly proud. The Constitution of the United States, which the English statesman Gladstone, characterized as "the most wonderful work ever struck off at a given time by the brain and purpose of man," and which Macaulay said was "the wonder of the ages," was almost exclusively the handiwork of lawyers. It was not only a noble charter of liberty, which sprang from a deep belief in the dignity of the individual; it was also

a set of laws to be interpreted and applied by lawyers and judges. We are in even better position than Gladstone and Macaulay to evaluate the worth of that document. Since that day we have passed through a period of great social and economic change, when new methods had to be devised to meet new crises in government. We have come through two great world wars which shook to the roots the governments of the world. Science in the last few decades has made enormous strides, so that Gladstone and Macaulay would hardly recognize the world in which we live; and science has brought with it changes in our lives, and the prospect of changes, of which we are only now dimly aware. Through it all, the American Constitution has proved itself to be so supple and so hardy an instrument, that only 21 amendments were necessary in the 170 years of its existence to make it conform to the needs of the American people. That it has continued its capacity for growth without serious impairment in our modern and complex society is a glorious tribute to the genius and vision of the founding fathers.

John Marshall saw perhaps more clearly than most the durability of the Constitution and expressed his feelings in the happiest language. In McCulloch against Maryland he spoke of the Constitution as "intended to endure for ages to come and, consequently, to be adapted to the various crises of human affairs. And again, in Cohens against Virginia, he said, "a constitution is framed for ages to come and is designed to approach immortality as nearly as human institutions can approach it." But, in the same case, he gave voice to another truth, which we are sometimes inclined to overlook. "The people," he said, "made the Constitution, and the people can unmake it. It is the creature of their will, and lives only by their will."

You may perhaps think it strange that I should come to you from the Senate of the United States, where matters of world-shaking importance are being debated, to talk about the basic principles of our Government. And yet, as I look about me, and particularly as I review the situation across the seas, it seems to me that we are living through a world crisis which could well endanger our constitutional freedoms before it runs its course. And, because I fear that such a dreadful eventuality could take place, I have taken this opportunity to try to drive home the necessity for constantly examining first these basic and fundamental principles.

The liberties of which I speak are, of course, not absolute. Some liberties must yield to the common good. A man is not free, as Mr. Justice Holmes remarked, to shout "fire!" in a crowded theater, nor indeed is he free to use economic power to crush those whose lot is poorer than his. The basic liberties are those which recognize the dignity of the individual and his inalienable rights. They are based on the concept that we are all children of God and that some part of the Divine spark is in each of us. Unless we cherish the dignity of the least of our fellow citizens, we are not truly devoted to the ideals of our country and its Constitution.

We cannot expect our people to cherish our way of life unless they understand and appreciate the things which make up our way of life. How many of them do you suppose can explain the nature of the relationship between the State and Federal Governments, or the specific guaranties contained in the Bill of Rights, or the basis on which the Supreme Court of the United States has the power to declare an act of the Congress unconstitutional. Or how many have a deep understanding of the momentous proceedings of the Constitutional Convention, when that band of patriots hammered out our Constitution, or understand the constitutional crisis precipitated by the threat of South Carolina to secede from the Union.

In spite of the fact that many lay persons do not have a deep understanding of our history and the political principles which have kept us a great Nation, I venture to say that there is a deep thirst among our people for just such understanding. We have recently been witnessing the thrilling spectacle of the Freedom Train, which, under the auspices of the American Heritage Foundation, has been traveling to the cities and towns and villages of America, carrying aboard its precious cargo, the documents which are the visible symbols of the greatness of our country. The newspapers tell us that people come to see these documents by the hundreds, lining up in the cold, to get a glimpse of those priceless pieces of paper, the Magna Carta, the Mayflower Compact, the Declaration of Independence, the Constitution, and the Gettysburg Address.

They are not thus crowding aboard a train because they are antiquarians, interested in old manuscripts for their own sake. Rather, they go aboard as Americans, interested in the traditions of their country and how they grew—interested to find out how a little group of men who were bound together by the tie of liberty forged out of the necessities of the time a new form of government which has lasted for over a century and a half. Their hunger for information, their interest in these documents is the most eloquent testimony to the deep yearning in the American people for the preservation of American ideals and aspirations.

It goes without saying that our schools and our colleges are the places to begin the process of the education of Americans for the responsibilities which are theirs. This education should come in the most specific terms. Not only should those attending be taught the duties and responsibilities of citizenship, and how those duties and responsibilities came about—they should also be taught the ways in which our liberties are threatened and how they are sometimes violated.

It is of equal importance that our students be taught the facts about the governmental systems which compete with democracy—the twin menaces of fascism and communism. They should learn the origin of fascism and under what circumstances communism arises. We have nothing to lose by making perfectly clear the nature of the governments which compete with democracy. On the contrary, it is only by the most specific understanding of the nature of our Government and the governments of other countries that our citizens will learn to cherish their democratic heritage all the more.

I am not suggesting that our schools embark on a calculated propaganda campaign. I am suggesting only that they tell the honest, uncolored truth. Communism within this country the communism abroad have cast their shadow over our beloved country. We must devise methods of dealing with both those dread specters. We can be successful only if our people have learned to love democracy, not only by instinct, but also with understanding. The more deeply they understand what is at stake in the battle against the menace of communism, the more vigorously will they be prepared to meet its challenge. The Communists themselves are finished students of our Constitution. They use it as a shield to protect their un-American activities in the name of personal and political liberty, while in the dark hours of the night they plot to destroy the very foundations of individual liberty.

My friends, I speak as I do because we in America live in the center of a world of terror and turmoil. The countries of Europe have been torn asunder by a devastating war, from which some are slowly and painfully recovering with our help. We see also the great bear of Russia walking over the prostrate life of one nation after another, both by force and by the stealth of political infiltration. In Russia, and her satellite countries,







DIGEST OF  
CONGRESSIONAL PROCEEDINGS  
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued December 19, 1947  
For actions of December 18, 1947  
80th-1st, No. 167

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HIGHLIGHTS: Senate passed Taft inflation-control bill with amendments. Senate passed measure authorizing USDA to make public information re commodity speculators; inserted Solicitor's opinion, etc. Supplemental appropriation bill to be debated in Senate today. House Rules Committee cleared Taft anti-inflation bill. House passed measure to investigate commodity speculation; inserted Secretary's Dec. 18 statement to Appropriations Committee. House committee reported fur-farmer loans measure. Sen. Bushfield and Rep. Case submitted resolutions for use of surplus eggs in foreign relief. Rep. Rees introduced and discussed measure to prohibit for 1 year use of grain for liquor. Sen. Fulbright introduced and discussed bill to repeal oleomargarine tax.

SENATE

1. INFLATION CONTROL. Passed, 77-10, with amendments S. J. Res. 167, the Taft anti-inflation bill (pp. 11698-711, 11722-34).

Agreed to the following amendments:

By Sen. Barkley, Ky., to authorize CCC "to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guaranties, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: Provided, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within 60 days thereafter." (pp. 11723-4.) Sen. Taft, Ohio, took the position that such a program is already authorized but said he had no objection to the amendment if there is doubt on this point (p. 11724).

By Sen. Barkley, to provide for a food-feed conservation program, authorizing the President, "through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these



foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices," providing that the program may be carried on through such agencies as the President may determine, authorizing appropriations for the program, and providing that for the remainder of the fiscal year 1948 "there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. (pp. 11724-5.) However, just before agreeing to this amendment, the Senate agreed to a modification proposed by Sen. Knowland, Calif., to change "such other measures" to read "such other voluntary and cooperative measures" (pp. 11724-5).

By Sen. Flanders, Vt., (for himself and Sen. Baldwin, Conn.) to provide that, if the President finds that critical shortages of any raw materials exist, he shall give Congress complete information and recommendations on the matter, and the Joint Committee on the Economic Report shall promptly hold hearings on the matter and make recommendations to Congress (pp. 11725-31).

Rejected the following amendments by Sen. Barkley, Ky.:

To strike out Sec. 2, regarding voluntary agreements, by a 42-44 vote.

However, the Senate agreed to a perfecting amendment by Sen. Taft to provide for approval of such agreements by the Attorney General. (pp. 11702-11, 11722-3.)

To authorize mandatory agreements with industry, by a 32-47 vote (pp. 11699-700).

To authorize mandatory agreements with a Congressional-review period of 30 days, by a 35-48 vote (pp. 11700-2).

The measure, as passed by the Senate, is printed in the Congressional Record (pp. 11732-3). (See also item 5, this Digest.)

~~2. COMMODITY SPECULATION. Passed with amendment S. J. Res. 170, to amend the Commodity Exchange Act so as to authorize the Secretary of Agriculture, in his discretion, to make public the names and addresses of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by them; and requiring him, when requested by a congressional committee, to furnish the committee and the public such information (pp. 11734-43). There were inserted in the Record correspondence between Chairman Bridges and Secretary Anderson on the matter, and the Solicitor's opinion as to whether such information can be released under existing law (pp. 11738-9).~~

~~3. FOREIGN AID. The Civil Service Committee reported with amendments S. 1813, to reduce postage on parcels containing food, clothing, or medicines mailed to certain foreign countries (S. Rept. 807), and the bill was referred to the Foreign Relations Committee (pp. 11719-20).~~

~~4. THIRD SUPPLEMENTAL APPROPRIATION BILL. Chairman Bridges of the Appropriations Committee obtained consent for the Committee to report this bill, H. R. 4748; by midnight last night. It is expected that the bill will be considered on the floor today. (pp. 11734, 11743.)~~

HOUSE

5. INFLATION CONTROL. The Rules Committee reported a resolution for consideration, without amendment, of S.J.Res. 167, the Taft anti-inflation bill (p. 11795). Rep. Smith, Ohio, objected to consideration, when submitted, of the con-



ference report on the anti-inflation measure (pp. 11759, 11781-2, 11789).

Rep. Corbett, Pa., inserted and discussed results of a poll on inflation control and the foreign aid program (pp. 11750-1).

6. COMMODITY EXCHANGES. Agreed without amendment to H.Res. 404, to create a select committee to study transactions on commodity exchanges (pp. 11763-71). Rep. Combs, Tex., inserted Secretary Anderson's Dec. 18 statement to the Senate Appropriations Committee (pp. 11765-6).
7. FURS; FARM LOANS. The Agriculture Committee reported without amendment H.J. Res. 275, to authorize RACC to make loans to fur farmers (H.Rept. 1228) (p. 11795).
8. FOREIGN AID. Rep. Scrivner, Kans., expressed hope that the President's message on foreign aid will disclose information on needs for China and the conditions precedent for receipt of aid by recipient countries (p. 11750).  
Rep. Buck, N.Y., said the foreign aid program "is a further force toward inflation and the high cost of living" and urged enactment of "countermeasures" (p. 11751).
9. PUBLIC WORKS. Passed as reported H.Res. 403, to authorize investigation by Public Works Committee of black markets in building materials (p. 11771).
10. EXPORT CONTROLS. Rep. Ross, N.Y., spoke in favor of export controls on scarce commodities (p. 11758).
11. SMALL BUSINESS. The Select Committee on Small Business submitted Annual Report No. 1 of the committee (H.Rept. 1229) (p. 11795).
12. REGIONAL AUTHORITIES. Rep. Rankin, Miss., urged development of water power resources particularly to provide electricity and inserted the text of his bill, H.R. 502, which would provide for the development of such resources (pp. 11751-7).

#### BILLS INTRODUCED

12. OLEOMARGARINE. S. 1907, by Sen. Fulbright, Ark., repealing certain provisions of the Internal Revenue Code relating to the tax on oleomargarine. To Finance Committee. (p. 11695.) Remarks of author (pp. 11711-5).
13. SURPLUS EGGS. S.Con.Res. 36, by Sen. Bushfield, S.Dak., providing for the use of surplus eggs in the foreign aid program. (p. 11696.)  
H.Con. Res. 126, by Rep. Case, S.Dak., to provide for the use of surplus eggs and poultry in foreign relief programs. To Foreign Affairs Committee. (p. 11796.)
14. GRAIN. H.J.Res. 284, by Rep. Rees, Kans., to prohibit for 1 year the use of grains for the manufacture of intoxicating liquor. To Agriculture Committee. (p. 11796.) Remarks of author (pp. 11786-7).
15. FLOOD CONTROL. S. 1908, by Sen. Myers, Pa., authorizing the construction of flood-control work on the Lackawaxen River, Pa. To Public Works Committee. (p. 11695.) Remarks of author (p. 11696).
16. INFLATION. S.Res. 177, by Sen. Langer, N.Dak., to investigate manufactured merchandise held in warehouses and the effect on prices. To Banking and Currency Committee. (p. 11696.)
17. COMMITTEES. S.Res. 179, by Sen. Butler, Nebr., to change the name of the Public



Lands Committee to Committee on Interior and Insular Affairs. To Rules Committee. (p. 11696.)

18. EMERGENCY POWERS. H.R. 4799, by Rep. Kefauver, Tenn., "to amend the Second De control Act of 1947." To Judiciary Committee. (p. 11795.)
19. PERSONNEL; SALARIES. H.R. 4795, by Rep. Sheppard, Calif., H.R. 4798, by Rep. Havenner, Calif., H.R. 4805, by Rep. Albert, Okla., H.R. 4806, by Rep. King, Calif., H.R. 4808, by Rep. Lane, Mass., H.R. 4810, by Rep. Ramey, Ohio, to provide additional compensation for employees of the Federal Government and the government of the District of Columbia. To Post Office and Civil Service Committee. (p. 11795.)
20. MONOPOLIES. H.R. 4797, by Rep. Folger, N.C., to amend section 7 of the act of Oct. 15, 1914, entitled, "An act to supplement existing laws against unlawful restraints and monopolies." To Judiciary Committee. (p. 11795.)
21. FOREIGN AID; POSTAGE RATES. H.R. 4791, by Rep. Kersten, Wis., to provide free postage for gift packages of food and clothing mailed to certain foreign countries. To Post Office and Civil Service Committee. (p. 11795.)
22. SURPLUS PROPERTY; VETERANS' BENEFITS. H.R. 4812, by Rep. Weichel, Ohio, to give veterans preference on surplus platted lands, one-family and two-family dwellings, ahead of non-using Government agencies. To Expenditures in the Executive Departments Committee. (pp. 11795-6.) Remarks of author (p. A5218).
23. FOREIGN AFFAIRS. H.Con. Res. 125, by Rep. Case, N.J., urging the creation of collective security arrangements in furtherance of the European recovery program and the participation of the U.S. therein. To Foreign Affairs Committee. (p. 11796.)

#### ITEMS IN APPENDIX

24. SOIL CONSERVATION. Rep. Worley, Tex., inserted a Wellington (Tex.) Leader editorial urging soil conservation (p. A5207).
25. FLOOD CONTROL. Extension of remarks of Rep. Banta, Mo., questioning the value of proposed flood-control works in Mo., and including an editorial on the subject (p. A5217).
26. CONGRESSIONAL ORGANIZATION. Rep. Kefauver, Tenn., inserted his recent National Municipal Review article discussing the effectiveness of the Legislative Reorganization Act (pp. A5202-3).
27. T.V.A. Extension of remarks of Rep. Dondero, Mich., criticizing TVA accounting methods and policies and including John T. Flynn's article, "The Hidden Red Ink in TVA's Books" (pp. A5199-201).
29. FOREIGN AID. Rep. Clason, Mass., inserted a suggested program for aid to China (pp. A5209-10).
30. FOREIGN TRADE. Rep. Keefe, Wis., inserted WAA and State Department letters explaining lend-lease shipments to Russia (pp. A5210-1).
31. INFLATION. Rep. Kefauver, Tenn., inserted a National Federation of Small Business statement opposing proposed exemptions from anti-trust laws for the purpose of making voluntary agreements to combat inflation (pp. A5214-5).  
Rep. Smathers, Fla., inserted a Miami Daily News editorial favoring pro-

## CONSIDERATION OF SENATE JOINT RESOLUTION 167

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DECEMBER 18, 1947.—Referred to the House Calendar and ordered to be printed

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Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

### REPORT

[To accompany H. Res. 412]

The Committee on Rules, having had under consideration House Resolution 412, reports the same to the House with the recommendation that the resolution do pass.







## House Calendar No. 156

80TH CONGRESS  
1ST SESSION

# H. RES. 412

[Report No. 1230]

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### IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the Union  
4 for the consideration of the joint resolution (S. J. Res. 167)  
5 to aid in the stabilization of commodity prices, to aid in  
6 further stabilizing the economy of the United States, and  
7 for other purposes, and all points of order against the said  
8 joint resolution are hereby waived. That after general debate,  
9 which shall be confined to the joint resolution and continue  
10 not to exceed one hour, to be equally divided and controlled  
11 by the chairman and ranking minority member of the Com-  
12 mittee on Banking and Currency, the joint resolution shall



1 be considered as having been read for amendment. No  
2 amendment shall be in order to said joint resolution except  
3 amendments offered by direction of the Committee on Bank-  
4 ing and Currency, and said amendments shall be in order,  
5 any rule of the House to the contrary notwithstanding.  
6 Amendments offered by direction of the Committee on Bank-  
7 ing and Currency may be offered to any section of the joint  
8 resolution at the conclusion of the general debate, but such  
9 amendments shall not be subject to amendment. At the con-  
10 clusion of the consideration of the joint resolution for amend-  
11 ment, the Committee shall rise and report the same to the  
12 House with such amendments as may have been adopted, and  
13 the previous question shall be considered as ordered on the  
14 joint resolution and amendments thereto to final passage  
15 without intervening motion except one motion to recommit.





80TH CONGRESS  
1ST SESSION

# H. RES. 412

[Report No. 1230]

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## RESOLUTION

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Providing for the consideration of S. J. Res. 167, to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

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By Mr. ALLEN of Illinois

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DECEMBER 18, 1947

Referred to the House Calendar and ordered to be printed

80TH CONGRESS  
1ST SESSION

# S. J. RES. 167

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IN THE SENATE OF THE UNITED STATES

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Ordered to be printed as passed by the Senate

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## JOINT RESOLUTION

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

1        *Resolved by the Senate and House of Representatives*  
2        *of the United States of America in Congress assembled,*

3                                DECLARATION OF PURPOSES

4        SECTION 1. The purposes of this joint resolution are to  
5        aid in stabilizing the economy of the United States, to aid in  
6        curbing inflationary tendencies, to promote the orderly and  
7        equitable distribution of goods and facilities, and to aid in  
8        preventing maldistribution of goods and facilities which  
9        basically affect the cost of living or industrial production.



## VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

(3) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth

1 in said Act, that agency or official may request in writing  
2 compliance by one or more persons with such plan of volun-  
3 tary action as may be approved by the Attorney General.  
4 Any act or omission by such person or persons in compliance  
5 with a written request made pursuant to this section and with  
6 a voluntary plan promulgated thereunder shall not be the  
7 basis at any time for any prosecution or any civil action or  
8 any proceeding under the antitrust laws of the United States  
9 or the Federal Trade Commission Act.

10 (d) Such written request may, in the discretion of the  
11 governmental officer or agency which made the request, be  
12 withdrawn at any time by said governmental officer or  
13 agency, by written notice from said governmental officer or  
14 agency of such withdrawal to the Attorney General, and  
15 after publication of notice of such withdrawal in the Federal  
16 Register as provided in subsection (e), the provisions of  
17 this Act shall not apply to any subsequent act or omission  
18 by reason of such request or voluntary plan.

19 (e) The Attorney General shall transmit to the Presi-  
20 dent pro tempore of the Senate and to the Speaker of the  
21 House of Representatives, and shall order published in the  
22 Federal Register every such request, and any withdrawal  
23 thereof, and any plan, program, or other arrangements  
24 promulgated under, or which is the basis of, any such request.

25 (f) The power to make requests conferred by this Act



1 shall expire upon expiration of section 2 of this Act, and  
2 any requests made and voluntary plans adopted under this  
3 Act shall have no force or effect six months thereafter.

4 (g) As used in this section the term "person" means  
5 an individual, corporation, partnership, or association.

6 EXPORT CONTROLS

7 SEC. 3. (a) Section 6 (d) of the Act of July 2, 1940  
8 (54 Stat. 714), as amended, is amended by striking out  
9 "February 29, 1948" and inserting in lieu thereof "Febru-  
10 ary 28, 1949".

11 (b) Notwithstanding any other provision of law, the  
12 President in the exercise of the powers, authority, and  
13 discretion conferred upon him by such Act of July 2, 1940,  
14 as amended, is authorized to use price criteria in the licens-  
15 ing of exports, either by giving preference among otherwise  
16 comparable applications to those which provide for the lowest  
17 prices, or, in exceptional circumstances, by fixing reasonable  
18 mark ups in export prices over domestic prices.

19 ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

20 SEC. 4. (a) Notwithstanding any other provision of  
21 law, title III of the Second War Powers Act, 1942, as  
22 amended, shall continue in effect to and including February  
23 28, 1949, or such earlier date as the Congress by concurrent  
24 resolution or the President may designate, for the exercise  
25 of the powers, authority, and discretion conferred on the

1 President by such title III with respect to the use of  
2 transportation equipment and facilities by rail carriers.

3 (b) Notwithstanding any other provision of law, title  
4 III of the Second War Powers Act, 1942, is hereby revived  
5 and reenacted for the exercise of the powers, authority, and  
6 discretion conferred on the President by such title III with  
7 respect to the use of grain for the production of distilled  
8 spirits or neutral spirits for beverage purposes. The  
9 authority granted by this subsection shall expire on January  
10 31, 1948.

#### 11 DELEGATION OF AUTHORITY

12 SEC. 5. The authority granted to the President by  
13 section 2 of this joint resolution and, notwithstanding the  
14 provisions of section 6 of the Second Decontrol Act of 1947,  
15 the authority granted to the President by section 4 of this  
16 joint resolution and by section 6 of the Act of July 2, 1940  
17 (54 Stat. 714), as amended, may, to the extent the Presi-  
18 dent directs, be exercised by any department, agency, or  
19 officer in the executive branch of the Government.

#### 20 CRITICAL SHORTAGES—RECOMMENDATIONS BY THE

#### 21 PRESIDENT

22 SEC. 6. (a) Whenever the President shall determine  
23 that there is or threatens to be a critical shortage of any  
24 raw material, commodity, or product which jeopardizes the



1 health or safety of the people of the United States or its  
2 national security or welfare and that there is no prospect  
3 that such critical shortage may soon be remedied by an  
4 increase in the available supply without additional govern-  
5 mental action and that the situation cannot be solved by  
6 voluntary agreement under the provisions of this Act, he  
7 may prepare proposed measures for conserving such raw  
8 material, commodity, or product which he shall submit to  
9 the Congress in the following form:

10 (1) A statement of the circumstances which, in the  
11 President's judgment, require the proposed conservation  
12 measures.

13 (2) A detailed procedure for the administration of the  
14 proposed measures including the additional budget and ad-  
15 ditional personnel required for their enforcement.

16 (3) The proposed degree of curtailment in current and  
17 prospective use of each such raw material, commodity, or  
18 product by each processor and/or user thereof, including the  
19 specific formulae proposed for such curtailment with respect  
20 to each class or classes of processors or users and the criteria  
21 used in the establishment of such formulae.

22 (4) A complete record of the factual evidence upon  
23 which his recommendations are based, including all informa-  
24 tion provided by any agency of the Federal Government

1 which may have been made available to him in the course  
2 of his consideration of the matter.

3 (b) Within fifteen days after the submission of such  
4 proposed conservation measures, the Joint Committee on  
5 the Economic Report shall conduct public hearings thereon  
6 and shall make such recommendations to the Congress for  
7 legislative action as in its judgment the recommendations of  
8 the President and any additional information disclosed at  
9 the public hearings may require.

10 PRODUCTION OF FOODS IN NONEUROPEAN FOREIGN  
11 COUNTRIES

12 SEC. 7. Notwithstanding any other provision of law,  
13 in order to alleviate and prevent shortages in foods, agri-  
14 cultural commodities, and products thereof, Commodity  
15 Credit Corporation is authorized to carry out projects to  
16 stimulate and increase the production of foods, agricultural  
17 commodities, and products thereof, in non-European foreign  
18 countries. Such projects may include procurement, the mak-  
19 ing of advances and price guaranties, the furnishing of  
20 technical information and assistance, the furnishing of seed,  
21 fertilizer, machinery, equipment and other materials, and  
22 such other actions as are necessary or incident to the carry-  
23 ing out of such projects: *Provided*, That any such program  
24 is first submitted to Congress by the Secretary of Agriculture,



1 and is not disapproved by concurrent resolution of Congress  
2 within sixty days thereafter.

3 FOOD AND FEED CONSERVATION PROGRAM

4 SEC. 8. (a) In order to alleviate shortages in foods  
5 and feeds, and to assist in stabilizing prices, the President  
6 shall carry out a program for the conservation of food and  
7 feed. In carrying out such program, the President is author-  
8 ized, through the dissemination of information, educational  
9 and other campaigns, the furnishing of assistance, and such  
10 other voluntary and cooperative measures as he deems  
11 necessary or appropriate, to encourage and promote the effi-  
12 cient utilization, care, and preservation of food and feed,  
13 the elimination of practices which waste food and feed, the  
14 control and eradication of insects and rodents, the consump-  
15 tion of less of these foods and feeds which are in short  
16 supply and more of those foods and feeds which are in  
17 abundant supply, and other conservation practices. The  
18 authority herein conferred may be exercised by the Presi-  
19 dent through such departments, agencies, independent estab-  
20 lishments, and officials of the Federal Government and such  
21 State, local, and private agencies as he may determine.

22 (b) There is hereby authorized to be appropriated to  
23 the President such sums as may be necessary to carry out  
24 this section. To enable the President to carry out this sec-  
25 tion for the remainder of the fiscal year ending June 30,

1 1948, there is hereby made available not to exceed  
2 \$1,000,000 from any funds made available by the Congress  
3 for carrying out Public Law 84, Eightieth Congress, or from  
4 any funds made available by the Congress for interim foreign  
5 aid. Funds made available for the purpose of this section  
6 may be used for necessary administrative expenses, including  
7 personal services in the District of Columbia and elsewhere,  
8 purchase or hire of motor vehicles, temporary or inter-  
9 mittent services of experts or consultants or organizations  
10 thereof, including stenographic reporting services, by con-  
11 tract, without regard to the civil service and classification  
12 laws (the compensation of any such individual not to exceed  
13 \$50 per day). Funds made available for the purposes of this  
14 section may be allotted for any of the purposes of this sec-  
15 tion to any department, agency, or independent establish-  
16 ment of the Government, or transferred to any other agency  
17 requested to assist in carrying out this section. Funds  
18 allotted to any department, agency, or independent establish-  
19 ment of the Government shall be available for obligation and  
20 expenditure in accordance with the laws governing obliga-  
21 tions and expenditures of the department, agency, or inde-  
22 pendent establishment, or organizational unit thereof  
23 concerned, and without regard to sections 3709 and 3648 of  
24 the Revised Statutes, as amended (U. S. C., title 41, sec. 5,  
25 and title 31, sec. 529).



## 1                    AUTHORIZATION FOR APPROPRIATIONS

2            SEC. 9. There is hereby authorized to be appropriated  
3 such amounts as may be necessary for purposes of carrying  
4 out the provisions of this joint resolution.

          Passed the Senate December 18 (legislative day, December 4), 1947.

Attest:

CARL A. LOEFFLER,

*Secretary.*





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## **JOINT RESOLUTION**

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To aid in the stabilization of commodity prices,  
to aid in further stabilizing the economy of  
the United States, and for other purposes.

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DECEMBER 18 (legislative day, DECEMBER 4), 1947

Ordered to be printed as passed by the Senate

80TH CONGRESS  
1ST SESSION

# S. J. RES. 167

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IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 1947  
Ordered to be printed

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## JOINT RESOLUTION

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

1      *Resolved by the Senate and House of Representatives*  
2      *of the United States of America in Congress assembled,*

3                                      DECLARATION OF PURPOSES

4      SECTION 1. The purposes of this joint resolution are to  
5      aid in stabilizing the economy of the United States, to aid in  
6      curbing inflationary tendencies, to promote the orderly and  
7      equitable distribution of goods and facilities, and to aid in  
8      preventing maldistribution of goods and facilities which  
9      basically affect the cost of living or industrial production.



## VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

(3) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth

1 in said Act, that agency or official may request in writing  
2 compliance by one or more persons with such plan of volun-  
3 tary action as may be approved by the Attorney General.  
4 Any act or omission by such person or persons in compliance  
5 with a written request made pursuant to this section and with  
6 a voluntary plan promulgated thereunder shall not be the  
7 basis at any time for any prosecution or any civil action or  
8 any proceeding under the antitrust laws of the United States  
9 or the Federal Trade Commission Act.

10 (d) Such written request may, in the discretion of the  
11 governmental officer or agency which made the request, be  
12 withdrawn at any time by said governmental officer or  
13 agency, by written notice from said governmental officer or  
14 agency of such withdrawal to the Attorney General, and  
15 after publication of notice of such withdrawal in the Federal  
16 Register as provided in subsection (e), the provisions of  
17 this Act shall not apply to any subsequent act or omission  
18 by reason of such request or voluntary plan.

19 (e) The Attorney General shall transmit to the Presi-  
20 dent pro tempore of the Senate and to the Speaker of the  
21 House of Representatives, and shall order published in the  
22 Federal Register every such request, and any withdrawal  
23 thereof, and any plan, program, or other arrangements  
24 promulgated under, or which is the basis of, any such request.

25 (f) The power to make requests conferred by this Act



1 shall expire upon expiration of section 2 of this Act, and  
2 any requests made and voluntary plans adopted under this  
3 Act shall have no force or effect six months thereafter.

4 (g) As used in this section the term "person" means  
5 an individual, corporation, partnership, or association.

#### 6 EXPORT CONTROLS

7 SEC. 3. (a) Section 6 (d) of the Act of July 2, 1940  
8 (54 Stat. 714), as amended, is amended by striking out  
9 "February 29, 1948" and inserting in lieu thereof "Febru-  
10 ary 28, 1949".

11 (b) Notwithstanding any other provision of law, the  
12 President in the exercise of the powers, authority, and  
13 discretion conferred upon him by such Act of July 2, 1940,  
14 as amended, is authorized to use price criteria in the licens-  
15 ing of exports, either by giving preference among otherwise  
16 comparable applications to those which provide for the lowest  
17 prices, or, in exceptional circumstances, by fixing reasonable  
18 mark ups in export prices over domestic prices.

#### 19 ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

20 SEC. 4. (a) Notwithstanding any other provision of  
21 law, title III of the Second War Powers Act, 1942, as  
22 amended, shall continue in effect to and including February  
23 28, 1949, or such earlier date as the Congress by concurrent  
24 resolution or the President may designate, for the exercise  
25 of the powers, authority, and discretion conferred on the

1 President by such title III with respect to the use of  
2 transportation equipment and facilities by rail carriers.

3 (b) Notwithstanding any other provision of law, title  
4 III of the Second War Powers Act, 1942, is hereby revived  
5 and reenacted for the exercise of the powers, authority, and  
6 discretion conferred on the President by such title III with  
7 respect to the use of grain for the production of distilled  
8 spirits or neutral spirits for beverage purposes. The  
9 authority granted by this subsection shall expire on January  
10 31, 1948.

#### 11 DELEGATION OF AUTHORITY

12 SEC. 5. The authority granted to the President by  
13 section 2 of this joint resolution and, notwithstanding the  
14 provisions of section 6 of the Second Decontrol Act of 1947,  
15 the authority granted to the President by section 4 of this  
16 joint resolution and by section 6 of the Act of July 2, 1940  
17 (54 Stat. 714), as amended, may, to the extent the Presi-  
18 dent directs, be exercised by any department, agency, or  
19 officer in the executive branch of the Government.

#### 20 CRITICAL SHORTAGES—RECOMMENDATIONS BY THE

#### 21 PRESIDENT

22 SEC. 6. (a) Whenever the President shall determine  
23 that there is or threatens to be a critical shortage of any  
24 raw material, commodity, or product which jeopardizes the



1 health or safety of the people of the United States or its  
2 national security or welfare and that there is no prospect  
3 that such critical shortage may soon be remedied by an  
4 increase in the available supply without additional govern-  
5 mental action and that the situation cannot be solved by  
6 voluntary agreement under the provisions of this Act, he  
7 may prepare proposed measures for conserving such raw  
8 material, commodity, or product which he shall submit to  
9 the Congress in the following form:

10 (1) A statement of the circumstances which, in the  
11 President's judgment, require the proposed conservation  
12 measures.

13 (2) A detailed procedure for the administration of the  
14 proposed measures including the additional budget and ad-  
15 ditional personnel required for their enforcement.

16 (3) The proposed degree of curtailment in current and  
17 prospective use of each such raw material, commodity, or  
18 product by each processor and/or user thereof, including the  
19 specific formulae proposed for such curtailment with respect  
20 to each class or classes of processors or users and the criteria  
21 used in the establishment of such formulae.

22 (4) A complete record of the factual evidence upon  
23 which his recommendations are based, including all informa-  
24 tion provided by any agency of the Federal Government

1 which may have been made available to him in the course  
2 of his consideration of the matter.

3 (b) Within fifteen days after the submission of such  
4 proposed conservation measures, the Joint Committee on  
5 the Economic Report shall conduct public hearings thereon  
6 and shall make such recommendations to the Congress for  
7 legislative action as in its judgment the recommendations of  
8 the President and any additional information disclosed at  
9 the public hearings may require.

10 PRODUCTION OF FOODS IN NONEUROPEAN FOREIGN

11 COUNTRIES

12 SEC. 7. Notwithstanding any other provision of law,  
13 in order to alleviate and prevent shortages in foods, agri-  
14 cultural commodities, and products thereof, Commodity  
15 Credit Corporation is authorized to carry out projects to  
16 stimulate and increase the production of foods, agricultural  
17 commodities, and products thereof, in non-European foreign  
18 countries. Such projects may include procurement, the mak-  
19 ing of advances and price guaranties, the furnishing of  
20 technical information and assistance, the furnishing of seed,  
21 fertilizer, machinery, equipment and other materials, and  
22 such other actions as are necessary or incident to the carry-  
23 ing out of such projects: *Provided*, That any such program  
24 is first submitted to Congress by the Secretary of Agriculture,



1 and is not disapproved by concurrent resolution of Congress  
2 within sixty days thereafter.

3 FOOD AND FEED CONSERVATION PROGRAM

4 SEC. 8. (a) In order to alleviate shortages in foods  
5 and feeds, and to assist in stabilizing prices, the President  
6 shall carry out a program for the conservation of food and  
7 feed. In carrying out such program, the President is author-  
8 ized, through the dissemination of information, educational  
9 and other campaigns, the furnishing of assistance, and such  
10 other voluntary and cooperative measures as he deems  
11 necessary or appropriate, to encourage and promote the effi-  
12 cient utilization, care, and preservation of food and feed,  
13 the elimination of practices which waste food and feed, the  
14 control and eradication of insects and rodents, the consump-  
15 tion of less of these foods and feeds which are in short  
16 supply and more of those foods and feeds which are in  
17 abundant supply, and other conservation practices. The  
18 authority herein conferred may be exercised by the Presi-  
19 dent through such departments, agencies, independent estab-  
20 lishments, and officials of the Federal Government and such  
21 State, local, and private agencies as he may determine.

22 (b) There is hereby authorized to be appropriated to  
23 the President such sums as may be necessary to carry out  
24 this section. To enable the President to carry out this sec-  
25 tion for the remainder of the fiscal year ending June 30,

1 1948, there is hereby made available not to exceed  
2 \$1,000,000 from any funds made available by the Congress  
3 for carrying out Public Law 84, Eightieth Congress, or from  
4 any funds made available by the Congress for interim foreign  
5 aid. Funds made available for the purpose of this section  
6 may be used for necessary administrative expenses, including  
7 personal services in the District of Columbia and elsewhere,  
8 purchase or hire of motor vehicles, temporary or inter-  
9 mittent services of experts or consultants or organizations  
10 thereof, including stenographic reporting services, by con-  
11 tract, without regard to the civil service and classification  
12 laws (the compensation of any such individual not to exceed  
13 \$50 per day). Funds made available for the purposes of this  
14 section may be allotted for any of the purposes of this sec-  
15 tion to any department, agency, or independent establish-  
16 ment of the Government, or transferred to any other agency  
17 requested to assist in carrying out this section. Funds  
18 allotted to any department, agency, or independent establish-  
19 ment of the Government shall be available for obligation and  
20 expenditure in accordance with the laws governing obliga-  
21 tions and expenditures of the department, agency, or inde-  
22 pendent establishment, or organizational unit thereof  
23 concerned, and without regard to sections 3709 and 3648 of  
24 the Revised Statutes, as amended (U. S. C., title 41, sec. 5,  
25 and title 31, sec. 529).



## 1                    AUTHORIZATION FOR APPROPRIATIONS

2            SEC. 9. There is hereby authorized to be appropriated  
3 such amounts as may be necessary for purposes of carrying  
4 out the provisions of this joint resolution.

          Passed the Senate December 18 (legislative day, December 4), 1947.

Attest:

CARL A. LOEFFLER,

*Secretary.*





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## JOINT RESOLUTION

---

To aid in the stabilization of commodity prices,  
to aid in further stabilizing the economy of  
the United States, and for other purposes.

---

DECEMBER 18, 1947

Ordered to be printed

questing his ideas concerning the course that might appropriately be taken by the Federal Government in dealing with this question. He has replied and his answer is so illuminating, so pertinent and altogether so constructive in the suggestions which it contains that I now request unanimous consent to have printed in the RECORD my letter to Commissioner Stichman and his reply to me.

The PRESIDENT pro tempore. Without objection the order is made, and the correspondence will be printed in the RECORD.

The correspondence is as follows:

NOVEMBER 25, 1947.

Hon. HERMAN T. STICHMAN,  
*Commissioner of Housing,*  
*New York City, N. Y.*

DEAR COMMISSIONER: Recognizing you to be a preeminent authority in the field of public housing in which you have been doing an outstanding job, I am writing to you for information and advice. As you know, housing constitutes one of the most serious problems now confronting the country and is one of the most vital questions before the Congress.

As you will recall, I had some experience in dealing with this problem when I was majority leader of the assembly. I remember well how I used to turn to you for assistance in the consideration of legislation. It is only natural, therefore, that I again turn to you for the same reason when I am faced once more with a similar situation.

Inasmuch as you are thoroughly acquainted with the field of public housing and are familiar with the problems connected with it, I shall not presume upon your time by going into details in this communication. I write merely to ask you for ideas, suggestions and recommendations which you may be willing to make in connection with the over-all national housing problem. Any help you may be kind enough to give will be most appreciated.

With kindest personal regards, I remain,  
Sincerely yours,

IRVING M. IVES.

DECEMBER 5, 1947.

Senator IRVING M. IVES,  
*Senate Office Building,*  
*Washington, D. C.*

DEAR SENATOR IVES: I appreciate your letter of November 25th and your thoughtful comments. Your continuing deep interest in solving our housing problems, of which I have long been aware, will be most helpful in the future as it has been in the past.

As you know, the citizens of the State of New York have been meeting the housing problem realistically, largely through their own efforts. Governor Dewey and the legislature have not been content to let the future of good housing and of municipal improvement in their State remain dependent on the will of others, but have adopted a program of action. It is fortified by more than a half billion dollars of State funds, presently or soon to be allocated. By means of it we have provided temporary housing for veterans; we are clearing our slums, redeveloping our municipalities, providing good homes for families of low income whom private enterprise has been unable to serve, and are endeavoring to aid private builders to resume an adequate home-building program for all families.

While you are familiar with what the State of New York has done and have aided to the full wherever you could, I should like to recapitulate the housing progress of the people of this State through their Governor and legislature, since it might well serve as a beacon to others. The emergency housing program of the State of New York was launched in the fall of 1945, when it first

became evident that the sudden mass release of the men in the armed forces would precipitate a housing crisis. Immediate action by Governor Dewey set in motion a State-wide plan for the conversion of surplus military installations and other unused structures into temporary dwellings for our veterans and their families in municipalities. At the Governor's request, emergency housing and educational funds totaling \$69,800,000 have been provided.

Our emergency civic housing developments are designed to provide good family living conditions. They all have gas or electric cooking ranges, mechanical refrigerators, and, with one exception because of the nature of the units, central heating. All have playground space and, where necessary in the largest projects, we have provided facilities for nursery schools, child-health centers, primary classrooms, kindergartens, and other essential community activities. In three of the projects we built apartments with special facilities for paraplegic veterans so that they might live with their families instead of in hospitals. The State also undertook to provide, in cooperation with the Federal Government in some instances, additional facilities necessary practically to double the prewar full-time student capacity of our colleges on campus so as to take care of about 100,000 veterans who would otherwise be deprived of a higher education. The State has built 73 municipal emergency housing projects in 40 communities; it has constructed 161 projects at 53 colleges, including housing, classrooms, laboratories and shops, dining facilities; and it has even prepared 51 sites for Federal installations at colleges, since the Federal program did not provide for this essential. It has also developed 3 great emergency colleges at which about 8,500 students are enrolled. We are providing emergency civic and college housing for over 11,000 veteran families, and dormitory accommodations for more than 13,500 students.

With reference to permanent public housing and slum clearance, the New York State permanent public-housing program was originally based, as you know since you took such an important part in shaping it as a leader of our New York State legislature, on a \$300,000,000 capital loan fund provided for under article XVIII of the New York State Constitution. At the request of Governor Dewey this fund was increased to \$435,000,000 by the 1947 legislature, subject to the approval of the people by referendum at the recent election, which approval was forthcoming overwhelmingly. The law provides that public housing financed by the State be based on a program of slum clearance, and this is an integral part of each housing project which we develop. Only families in the lowest income earning groups are eligible for our public-housing projects. Low rents are maintained by subsidies paid by the State annually. Such annual permissive payments were increased to \$13,000,000 by the 1947 legislature, also at the request of the Governor, and this too was approved by the electorate at the recent election.

At the present time we have entered into contracts with municipal housing authorities for the loan of \$240,273,700 to build 33 low-rent housing projects which will accommodate almost 110,000 members of low-income families, clear hundreds of acres of slum dwellings, and aid private enterprise and our municipalities in the rehabilitation of a large number of substandard neighborhoods. These improvements will better family life in the immediate areas, and will improve living conditions throughout the municipalities where they are located. Nine of these projects are completed and fully occupied. About 19 new or extensions to present projects are now contemplated, for which we expect to lend another \$145,000,000. Other projects will soon reach the definitive stage. New York State's permanent low-

rent housing program will eventually provide good homes in pleasant neighborhoods for about 160,000 persons who would otherwise have to live in substandard housing, and it will eradicate scores of slum areas.

So much for families of low income. For those in the lower middle-income groups, New York State has a limited dividend housing law which enables private builders to construct moderate rental housing. The State waives all tax payments by such housing companies, and the municipalities may exempt such companies from taxes on the increased value resulting from the housing development for an agreed period up to 50 years. That is, there is an exemption from local taxes on the new improvements. The return on invested capital is limited to 6 percent. The State's redevelopment companies law has similar provisions. These laws have resulted in the building of a substantial number of dwelling units by private enterprise.

The State is sponsoring the building of mutual housing projects by groups of veterans under our limited-dividend housing law. Under this plan veterans can use their New York State bonus payments and the cash value of their terminal-leave bonds to aid them in acquiring homes of their own at less than what they would otherwise be paying in rent. The full benefits of the tax exemptions will then go directly to the veterans, instead of to others. These exemptions will result in a saving of expense to each veteran who participates of from \$4,000 to \$5,000 over a 20-year period. And we hope that the veterans' mutual projects will prove to be housing laboratories, which will result in lowering home-building costs.

The State, through the Division of Housing, also endeavors to correlate all public improvements so as to bring about cooperation between municipalities and private builders in the building of new housing for all families and the development of better neighborhoods. Public housing projects, for instance, are used as the core of municipal-area redevelopment plans.

Some people think that it is up to somebody else—perhaps Government—to do the full housing job. However, as Governor Dewey said in January of 1947:

"For a whole generation the number of added units of housing, in the entire Nation as well as in this State, has failed to keep pace with the growing population and rising standard of living.

"Moreover, the art of building—particularly construction of one-family homes—has failed economically and technologically to keep pace with the ability of other industries to produce goods at constantly decreasing cost, improving quality, and increasing volume. The productive genius of modern America has, up to now, failed the home buyer.

"The retarding factors are well known. They involve practices of construction, styles of construction, restrictive building codes, slavish adherence to traditional tastes, and, above all, our failure to apply to building the ingenuity, imagination, and techniques that have made possible the productive wonders of our time.

"The housing shortage is an unmet challenge, not only to Government but to our entire economy. It is not going to be met by any single, sudden stroke of genius. It merits the most intense thought and effort of us all, combined with study and effort on a new scale to bring down the costs of construction."

- We all know that private enterprise cannot provide adequate homes for families of low income at rents which they can afford, and that it cannot clear slums without some public aid. But private industry has not had a full opportunity to demonstrate to what extent it can meet the housing needs of the people in the middle- and upper-income



groups. The failure on the part of the Federal authorities to permit timely reconversion for the production of building materials and its unrealistic controls with respect to new home building leave us now without the benefit of the hundreds of thousands of dwelling units which would otherwise have been built by private builders. These would have helped all down the income line, as the housing given up by the higher-income families would have become available for others.

Housing and municipal improvement programs can best be handled at the local level and control of them should lie there. If each State were to endeavor to handle its housing and redevelopment plans as New York State has done there would be more homes and better cities at less cost. There is room for Federal aid in the field of housing and municipal improvement, but in order that this aid may be truly effective it should be administered through the States. What would you think of a plan whereby Federal aid were granted on a modified matching basis? This might well encourage the individual States to set up their own housing programs just as we have done, and this should enable them to attain results similar to ours with consequent benefits to the people. Local control would better serve local needs, eliminate opposition based on fears of centralized bureaucracy, and result in more and better housing at less cost. The savings of taxpayers' funds by such a program on a country-wide basis would be considerable.

I should be happy to discuss our program and our suggestions with you further.

Cordially yours,

HERMAN T. STICHMAN,  
State Commissioner of Housing.

#### LIQUOR ADVERTISEMENTS IN MAGAZINES AND NEWSPAPERS—ADDRESS BY JUDGE FRED G. JOHNSON

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address entitled "Liquor Advertisements in Magazines and Newspapers Are Not Conducive to Temperance," delivered by Judge Fred G. Johnson, of Hastings, Nebr., before the Nebraska State Convention of the Woman's Christian Temperance Union, on October 29, 1947, which appears in the Appendix.]

#### WESTERN POWER FOR MORE PRODUCTION—ADDRESS BY GOV. MON C. WALLGREN

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an address on "Western Power for More Production," by Mon C. Wallgren, at the Western Governors' Conference, at Portland, Oreg., December 12 and 13, 1947, which appears in the Appendix.]

#### THE LATE JUDGE GEORGE DONWORTH, OF SEATTLE, WASH.

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD the proceedings in the United States district court at Seattle, Wash., October 27, 1947, in memory of Hon. George Donworth, former United States district judge, which appear in the Appendix.]

#### QUESTIONS IN THE MINDS OF THE PEOPLE

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD inquiries propounded by those in attendance at a recent meeting in the First Baptist Church, Seattle, Wash., which appear in the Appendix.]

#### COLLEGE TRAINING AMONG THE WHITE POPULATION

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD a table compiled from data of the Sixteenth Census, showing the percentage of the white population 25 years of age or more which has completed at least 4 years of college, which appears in the Appendix.]

#### AMERICAN VETERANS COMMITTEE PLANKS ON LABOR

[Mr. KILGORE asked and obtained leave to have printed in the RECORD the planks adopted by the American Veterans Committee relating to labor, which will appear hereafter in the Appendix.]

#### NEW HOPE FOR DP'S—EDITORIAL FROM THE WHEELING NEWS-REGISTER

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "New Hope For DP's," from the Wheeling News-Register of December 17, 1947, which appears in the Appendix.]

#### MUSIC HAS NO LOBBY—ARTICLE BY CARL E. LINDSTROM

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD an article entitled "Music Has No Lobby," by Carl E. Lindstrom, published in the Hartford (Conn.) Times of November 26, 1947, which appears in the Appendix.]

#### HOW SECRECY CAN HURT—EDITORIAL FROM THE WASHINGTON EVENING STAR

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "How Secrecy Can Hurt," published in the Washington (D. C.) Star of December 14, 1947, which appears in the Appendix.]

#### ODD KIND OF CHAIRMAN—EDITORIAL FROM THE HARTFORD (CONN.) TIMES

[Mr. MCMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Odd Kind of a Chairman," published in the Hartford (Conn.) Times of December 13, 1947, which appears in the Appendix.]

#### CONFIRMATION OF NOMINATION OF ROBERT N. DENHAM

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a statement prepared by him with reference to the confirmation of the nomination of Robert N. Denham to be general counsel of the National Labor Relations Board, which appears in the Appendix.]

#### HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES AND THE PRESIDENT'S LOYALTY ORDER—LETTER FROM YALE UNIVERSITY SCHOOL OF LAW

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD a letter from the Yale University School of Law, dated November 26, 1947, addressed to the President of the United States, the Secretary of State, and the Speaker of the House of Representatives, with reference to the House Committee on Un-American Activities and the President's loyalty order, which appears in the Appendix.]

#### THE GOVERNMENT OF CHINA

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an interview with Marshal Feng Yu-Hsiang by Robert S. Allen, published in the New York Times of December 14, 1947, which appears in the Appendix.]

#### PRESENT-DAY HYSTERIA—EDITORIAL FROM THE NEW YORKER MAGAZINE

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial from the New Yorker magazine of December 17, 1947, regarding public hysteria, which appears in the Appendix.]

#### MEETING OF COMMITTEE ON APPROPRIATIONS

Mr. FERGUSON. Mr. President, I ask unanimous consent that the Com-

mittee on Appropriations may be permitted to sit this afternoon during the session of the Senate.

The PRESIDENT pro tempore. Without objection, the order is made.

#### STABILIZATION OF COMMODITY PRICES AND THE NATIONAL ECONOMY

The Senate resumed the consideration of the resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	O'Connor
Baldwin	Hickenlooper	O'Mahoney
Ball	Hill	Overton
Barkley	Hoey	Reed
Bricker	Holland	Revercomb
Buck	Ives	Robertson, Va.
Bushfield	Jenner	Robertson, Wyo.
Butler	Johnston, S. C.	Russell
Byrd	Kem	Saltonstall
Cain	Kilgore	Smith
Capehart	Knowland	Sparkman
Capper	Langer	Stennis
Chavez	Lodge	Taft
Connally	McCarran	Taylor
Cooper	McCarthy	Thomas, Utah
Cordon	McClellan	Tobey
Donnell	McGrath	Tydings
Dworshak	McKellar	Umstead
Eastland	McMahon	Vandenberg
Eaton	Malone	Watkins
Ferguson	Martin	White
Flanders	Maybank	Wiley
Fulbright	Millikin	Williams
Green	Moore	Wilson
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHITE. I announce that the Senator from Maine [Mr. BREWSTER] and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arizona [Mr. MCFARLAND] are detained on official business at various Government departments.

The Senator from Texas [Mr. O'DANIEL] is unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent because of attendance at an important committee meeting.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDENT pro tempore. Seventy-nine Senators having answered to their names, a quorum is present.



The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. President, I have no desire to delay a vote on the amendment. I wish to modify the amendment just a little bit, because its present language might be regarded as ambiguous. Instead of the language as it is, I offer it with this modification: "issue regulations and orders, and to", omitting the words "for this purpose." I think that clarifies the amendment, and so far as I am concerned I am ready to have a vote on it.

The PRESIDENT pro tempore. The Senator's amendment will be modified as indicated by him.

Mr. BARKLEY. I ask for the yeas and nays on the amendment.

The PRESIDENT pro tempore. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I want to take only about 2 minutes. The amendment of course changes the whole nature of the joint resolution. As I interpret it, it would grant the President absolute and complete authority to issue orders and regulations regarding inventories and priorities and thus vest in the President complete power over the entire industry of the United States, such as existed under the War Production Board during the war. In effect it would give the President complete power to shut down an industry if he wished to do so or to limit its operations. Furthermore it seems to me to be very clear that it would give the President power to establish complete consumer rationing of any product he might select. That of course would be a compulsory control instead of the voluntary approach which we thought was the proper method to be pursued temporarily.

I may say that I understood the deliberate policy was adopted, with the approval, so far as I know, of the Democrats on the various committees, of putting off the basic question of compulsory control, in order that hearings on the subject might be had at the next session of Congress. The bill dealing with price control was introduced only a day or two ago, and our experience, from past history is that such a measure before it can be completed and acted upon requires certainly a full month of hearings, and a very considerable amount of debate on the floor of the Senate both on the proposal itself and on the numerous amendments submitted by Senators. The same thing is true with respect to the subject of priorities and allocations.

Incidentally what we are all concerned about, I may say, is high prices, and I can see that at least the argument can be made that the way to curb high prices is to fix prices. I cannot see the emergency created by a high-price situation being such as to force upon us complete control of all distribution and all industries, a determination whether they shall operate or shall not operate, how much inventory they shall have, and how they shall conduct their business. It seems to me such a general control is even less justified by the present emergency than is price control.

I may say further, Mr. President, that if the amendment offered by the Senator from Kentucky should be adopted, the chance for legislation at this session would be entirely eliminated, because the House would certainly not accept such a fundamental change in the law under such a rule as may be necessary if the legislation is to be passed by the House tomorrow. So I hope very much that the amendment offered by the Senator from Kentucky will be voted down.

Mr. BARKLEY. Mr. President, I had not intended to say anything further, but I shall merely say one additional word. The amendment does change the perspective of the legislation. It gives the President the authority which he has recommended be given him in order that he may deal with allocations and priorities. Whether they have any direct effect upon prices, or merely an indirect effect, is something we cannot very well determine at this time. The questions of allocations and priorities and high prices are all tangled up together. Obviously, the most direct way to deal with high prices is to establish price controls or ceilings. As I stated yesterday, we are not seeking to amend the bill for that purpose, because without any fault on the part of anyone—and I am not criticizing anyone, Democrat or Republican—it was impossible to have a bill drawn and ready to present to the Congress until a few days ago.

Mr. President, in this connection, inasmuch as the Senator from Indiana [Mr. CAPEHART] yesterday by implication, if not directly, charged the Democrats with some degree of negligence in drawing up a bill to regulate prices, or authorize the regulation of prices, not by setting up an independent agency, but by allowing the President to designate any existing agency or department, such a bill not being ready for introduction until 2 or 3 days ago, I wish to have a statement, prepared by me, read at the desk. I introduced the bill day before yesterday. I do not find the paper at the moment. We are not seeking to complicate the legislation with a price-control bill, because I agree that hearings must be held upon that subject. How long they will continue no one can tell, and what the Congress will ultimately do about the matter is at this moment unpredictable.

The situation is one which is flexible. I have a very strong feeling that if the situation continues to become worse, as it has during the last few months, Congress will be compelled by the very circumstances over which no one now seems to have any control, to take some action, whether drastic or otherwise. Whether it will approach it by gradual steps, and put one foot upon an elevation at a time, and see what happens, and then put another foot upon another elevation, and so on until the thing gets entirely out of control, I do not know. I am not in a position to predict what the Congress will do at the next session.

So what we are seeking to do by the amendment is to give the President authority, coupled with the conception of a voluntary approach, to exercise controls as to priorities and allocations in

the event the voluntary method turns out to be a failure, without having to wait for Congress to come back and enact legislation after the voluntary method has failed, and then give the President the power to do what we seek here.

No one can predict how much effect there would be on the price of any particular commodity if the President should be able to allocate to the different sections of the country or to different industries the material which they may need or of which they may be short in the production of anything the American people may require, or that may be required in order to carry out our commitments as part of our foreign policy. I think one of the serious omissions in the joint resolution is that it makes no reference whatever to our foreign policy. It does not even tie it in with it. It treats it purely as a domestic proposition.

Mr. President, I do not care to allocate to any one or to any group responsibility for the fact that a bill on the subject was not introduced earlier.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I do not blame anyone for not introducing a bill. In fact, I wanted to make it clear that so far as price, at least, was concerned, it was understood that Mr. Harriman was not at this time going to present the case to our committee. He was going to present the other points, but would not present the price proposal until the next regular session because we told him that we could not possibly in the present session take care of all 10 points recommended by the President, and if we were going to do anything we ought to complete our hearings on the matters now contained in the pending measure, and act on them. He acquiesced in that idea. He presented the allocation question, of course, when he appeared before the committee.

Mr. BARKLEY. Mr. President, I do not know anything about any agreement not to present legislation on any of the 10 points raised by the President in his message. I do know that when Mr. Harriman appeared before the Committee on Banking and Currency of the House the chairman of that committee complained that he had not presented a bill, that he was vague and indefinite, and that therefore they did not know how to start—rather assuming that the committee itself could not write a bill unless Mr. Harriman or the administration presented one. Whereupon they went to work to try to draw a bill and present it in concrete form. That is what has been done.

Mr. President, the Senator from Indiana [Mr. CAPEHART] rather belabored himself in trying to intimate that we on the Democratic side were guilty of some degree of laches by not presenting a bill sooner than we did, although he had only presented his bill the day before I introduced a bill relating to price control. In order that the RECORD may be clear I wish to have read at the desk a statement which I issued on the 20th of November, 3 days after the Congress



met, on the part of the minority policy committee in regard to the legislation, and to the program laid before the Congress by the President.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The Chief Clerk read as follows:

The Democratic policy committee at a session this morning considered the recommendations of the President in his message on last Monday regarding the interim relief program for certain European nations and also the question of legislation dealing with inflation and the high cost of living.

The policy committee unanimously endorsed the interim program, and will support it, and expressed its gratification at the unanimity with which the Foreign Relations Committee reported the bill and the obvious cooperation which is being given by the Republican majority.

With reference to the President's recommendations of legislation dealing with inflation and the high cost of living, the Democratic policy committee feels that inasmuch as hearings have been arranged for in the two Houses and inasmuch as the responsibility for the initiation of legislation rests with the Republican majority in both Houses, we deem it advisable to wait a reasonable time for the hearings to develop what legislation may be proposed by the majority for the carrying out of the President's recommendations on the subject.

The Democratic policy committee stands ready to cooperate with the Republican majority in enactment of the President's program and hopes that joint proposals in the way of legislation sponsored by both Republicans and Democrats may be promptly forthcoming. Our policy committee recognizes that there is no partisan politics in inflation or the high cost of living and that the program should be dealt with as an economic and social program rather than a program of partisan politics.

The high cost of living affects men of all parties and all sections of the country alike and if it goes unrestricted, its inevitable effect will be to reduce production here at home as well as abroad when we all know that the objective now of all thinking men is to increase that production.

Mr. BARKLEY. Mr. President, I think that was a perfectly proper attitude to be assumed by the minority policy committee. However unfortunate it is, we are in the minority and we recognize that fact. We do not claim otherwise. We recognize, of course, that as a minority we have no power by our strength alone to put any bill through the Congress. We waited a reasonable length of time for bills implementing the President's recommendations to be introduced. I think a month was a reasonable time. When that time had elapsed bills were introduced covering the subject.

But that has nothing to do with the merits of this particular proposal. I think the President ought to be given this mandatory power in order that he may exercise it or have it in his possession in connection with any effort he may make to bring about voluntary agreements.

Yesterday I sought to introduce all these amendments as one, because they are all tied together. I believe that the provision in regard to the relaxation of the antitrust law ought to be modified, and if this amendment is adopted I shall follow it with the supplementary amendment modifying the provisions in regard to the relaxation of the antitrust law.

Mr. President, that is all I have to say, and I am ready for a vote.

The PRESIDENT pro tempore. The question is on agreeing to the first amendment offered by the Senator from Kentucky, as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and will vote. I vote "yea."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from Illinois [Mr. LUCAS].

The Senator from Minnesota, if present and voting, would vote "nay," and the Senator from Illinois, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Under instructions of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent, presiding over the public reading of the record of an executive session of the committee held this morning with the Secretary of Agriculture as the witness. The Senator from New Hampshire is paired with the Senator from Arizona [Mr. MCFARLAND]. The Senator from New Hampshire, if present and voting, would vote "nay," and the Senator from Arizona, if present and voting, would vote "yea."

The Senator from Illinois [Mr. BROOKS] is detained by reason of attendance at a meeting of the Committee on Appropriations. If present and voting, he would vote "nay."

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arizona [Mr. MCFARLAND] are detained on official business at various Government departments.

The Senator from Texas [Mr. O'DANIEL] is unavoidably detained.

The Senator from Oklahoma [Mr. THOMAS] is absent because of attendance at an important committee meeting.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] is paired on this vote with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Minnesota would vote "nay."

The Senator from Arizona [Mr. MCFARLAND] is paired on this vote with the

Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER], has previously been announced by the Senator from Kansas. If present the Senator from New York would vote "yea," and the Senator from Maine would vote "nay."

If present and voting the Senator from Washington [Mr. MAGNUSON], the Senator from Florida [Mr. PEPPER], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

If present and voting, the Senator from Texas [Mr. O'DANIEL] would vote "nay."

The result was announced—yeas 32, nays 47, as follows:

#### YEAS—32

Barkley	Johnston, S. C.	O'Connor
Chavez	Kilgore	O'Mahoney
Connally	McCarran	Overton
Eastland	McClellan	Russell
Fulbright	McGrath	Sparkman
Green	McKellar	Stennis
Hatch	McMahon	Taylor
Hayden	Maybank	Thomas, Utah
Hill	Morse	Tydings
Hoey	Murray	Umstead
Holland	Myers	

#### NAYS—47

Aiken	Ferguson	Reed
Baldwin	Flanders	Revercomb
Ball	Gurney	Robertson, Va.
Bricker	Hawkes	Robertson, Wyo.
Buck	Hickenlooper	Saltonstall
Bushfield	Ives	Smith
Butler	Jenner	Taft
Byrd	Kem	Tobey
Calhoun	Knowland	Vandenberg
Capehart	Langer	Watkins
Capper	Lodge	White
Cooper	McCarthy	Wiley
Cordon	Malone	Williams
Donnell	Martin	Wilson
Dworshak	Millikin	Young
Eaton	Moore	

#### NOT VOTING—17

Brewster	Johnson, Colo.	Stewart
Bridges	Lucas	Thomas, Okla.
Brooks	MCFarland	Thye
Downey	Magnuson	Wagner
Ellender	O'Daniel	Wherry
George	Pepper	

So Mr. BARKLEY's amendment, as modified, was rejected.

Mr. BARKLEY. Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The clerk will state the amendments for the information of the Senate.

The CHIEF CLERK. On page 2, line 1, it is proposed to strike out the words "voluntary agreements" and in lieu thereof insert "priority allocation and inventory controls."

On page 2, line 7, it is proposed to strike out the words "approved by the President."

On page 2, line 15, it is proposed to strike out the word "or" and in lieu thereof insert the following: "Provided, however, That upon the exercise by the President of the priority or allocation or inventory control power herein conferred with respect to any such commodity, the President shall promptly submit to the Congress, when the Congress is in session, or if not in session, at the opening



of the next session, the name of such commodity, which from the date of issuance of the regulation or order by the President shall be and remain subject to such priority or allocation or inventory control, unless, within 30 days following such submission the Congress by concurrent resolution disapproves the application of such controls to such commodity; *And provided further*, That no authority is conferred by this section for the fixing of prices; or."

Beginning on page 2, it is proposed to strike out all following line 17 down to and including line 6 on page 3, and in lieu thereof to insert the following:

The authority conferred by this subsection 2 (a) shall expire on March 1, 1949.

(b) Any person who willfully performs any act prohibited, or willfully fails to perform any act required by any regulation or order issued under the prior provisions hereof, shall be guilty of a misdemeanor, and shall, upon conviction, be subject to a fine of not more than \$10,000, or imprisonment for a term not exceeding 1 year, or to both such fine and imprisonment. Whenever any department of the executive branch of the Government has reason to believe that any person is liable to punishment under this section, it shall certify the facts to the Attorney General who may, in his discretion, after such investigation by the Federal Bureau of Investigation as he may deem necessary, cause appropriate proceedings to be brought.

(c) (1) Whenever the President, after a public hearing held upon reasonable notice, determines that a plan of voluntary action with respect to any commodity, facility, or equipment, or with respect to speculative trading on a commodity exchange, is practicable and is appropriate to the successful carrying out of the purposes declared in section 1 of this joint resolution, and would make unnecessary an exercise of the mandatory power conferred in section 2 (a) hereof with respect thereto, the President may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act.

(2) Such written request may, in the discretion of the President, be withdrawn at any time by written notice to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (3), the provisions of this joint resolution shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(3) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal hereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(4) The power to make requests conferred by this joint resolution shall expire upon March 1, 1949, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

The PRESIDENT pro tempore. Is the Senator from Kentucky asking for consideration of the amendments en bloc?

Mr. BARKLEY. Mr. President, this is all one amendment. While it affects the different portions of the joint reso-

lution, on page 2 and following, it is all one proposition. It ties in the authority which I want to give to the President with modifications of that authority in the form of a provision that in the exercise of such authority Congress shall have a 30-day period in which to pass upon the question, whether Congress is in session at the time the order may be issued or whether it shall act upon it after Congress shall reassemble. So the two things are inevitably together; they are all one amendment. Therefore it seems to me that we ought to be permitted to vote on them as a single amendment, because separately the provisions have no particular relation to each other. In order to meet the objection raised yesterday by the Senator from Ohio [Mr. TAFT] and other Senators to granting this particular power to the President, I have so modified the provision as to give Congress the power, within a 30-day period, to pass upon any order that the President may have issued. Then penalties are provided for violations.

It also modifies to some extent the provision with regard to relaxation of the antitrust laws. So the amendment should be considered as a whole, because each part of it relates to the other parts, and it is not complete and cannot be complete unless all of it is considered as a single amendment. What follows in the more or less extensive language after the repetition of the amendment which was rejected awhile ago, is a modification of the authority sought to be conferred upon the President.

Therefore, Mr. President, I think the whole proposition is one amendment, and should be voted on as such.

The PRESIDENT pro tempore. In the opinion of the Chair, the Senator from Kentucky would have to obtain unanimous consent to have the amendments considered en bloc.

Mr. BARKLEY. Does the Chair hold that they are not all one integrated amendment, but that they are separable?

The PRESIDENT pro tempore. The Chair holds that, as submitted, the amendments are separable.

Mr. BARKLEY. In that case I ask unanimous consent that the amendments may be voted upon as a whole.

The PRESIDENT pro tempore. Is there objection?

Mr. TAFT. Mr. President, the first part is exactly the amendment which has just been voted upon. It seems to me we can draw the same proposal in all sorts of forms over and over again, and can thus take so long a period of time as to preclude the possibility of action on the measure.

I think the amendment is clearly separable. Having voted on the requested authority to issue regulations and orders, I do not see how other amendments relating to it are exactly in order or appropriate to the joint resolution, although I suppose anything can be offered. Certainly the second part, which proposes a fine, and the part which deals with the antitrust laws, are entirely separable.

So I think I would have to object to the request to consider all of them as one

amendment. It seems to me they involve entirely different propositions.

Mr. BARKLEY. Mr. President, I wish to say to the Senator from Ohio and to other Senators that of course I would not offer the amendment which has just been rejected in the language found in the first part of this amendment, with nothing more. But in effect it is modified by the language which follows, and substantially that is based upon the assumption that the authority is granted. If the authority is not granted, the language in its present form is inappropriate.

For that reason, although technically they come at different parts of the joint resolution, and from a strictly parliamentary standpoint might be separable, as a matter of fact they are all one proposition and one amendment, which seeks to confer the authority which the Senate has refused to consider all by itself, but to confer it with the modification that the Congress shall have the power to deal with it after the President has exercised it.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. In the event we agree to vote on all these issues—which course may have the advantage of speeding up the process—will amendments be in order to the provisions of the latter part of the amendment the Senator from Kentucky has submitted? I do not wish to have such possible amendments precluded.

Mr. BARKLEY. I may say to the Senator from Ohio, taking him, as well as the entire Senate, into my confidence, that if this amendment, as drawn, is defeated, the only other amendment I would offer to this part of the joint resolution would be one to strike out section 2, which deals with relaxation of the antitrust laws. I think there would be an advantage in voting on it altogether; and so far as I have in mind, I have no intention of offering any further amendment modifying the language, after it is voted on.

Mr. TAFT. Mr. President, a further parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. As to the portion dealing with the antitrust laws, I have no objection whatever, as I stated yesterday, to substituting in that particular section the language of the so-called Harriman bill, in place of the language of the pending measure; and I would not like to be foreclosed from offering such an amendment by reason of the fact that the language of the Harriman bill is included in this amendment.

Mr. BARKLEY. No; the Senator would not be foreclosed, and neither would I. My remarks of a few moments ago had reference to further amendments regarding the power of the President or changing the powers outlined in the joint resolution. The Senator from Ohio and I have conferred regarding the antitrust laws provision, and favoring the language presented to the Judiciary Committee by Secretary Harriman. That is a matter of detail as to administration.



But what I had in mind was that if this amendment is voted on as a whole and is rejected, I shall have no further amendments undertaking to modify, either by mandatory or other provisions, the power granted to the President in the joint resolution. I do have several amendments dealing with an entirely different subject, which the Senator from Ohio has indicated he would accept.

Mr. TAFT. Yes, with some little reservation which I shall make.

The PRESIDENT pro tempore. The Chair would like to answer the parliamentary question propounded by the Senator from Ohio. In the opinion of the Chair, if this amendment is voted down en bloc, the Senator would be permitted to offer any section of it subsequently as a separate entity.

Mr. TAFT. Then, Mr. President, in the interest of speed, and because this amendment as a whole is a compulsory amendment as I read it, I withdraw my objection.

The PRESIDENT pro tempore. Is there objection to the unanimous-consent request propounded by the Senator from Kentucky? Without objection, the amendments will be considered en bloc; and, being considered en bloc, the first amendment is in order, even though it has already been voted upon, because it is now part of a new amendment.

Mr. BARKLEY. Yes. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I should simply like to point out that this amendment really renews exactly the same question which was rejected a few moments ago; namely, the question of whether we shall change the entire joint resolution from a voluntary approach temporarily, while we are considering the whole question of this vast power, into a compulsory approach. I think adoption of the amendment would mean the end of any possibility of doing anything of this sort before Christmas.

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Kentucky, which are to be considered and voted upon en bloc. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and will vote. I vote "nay."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from Illinois [Mr. LUCAS]. The Senator from Minnesota, if present and voting, would vote "nay," and the Senator from Illinois, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Under instructions of the Committee on Appropriations, the Senator from New Hampshire [Mr. BRIDGES] is necessarily absent, presiding over the public reading of the record of an executive session of the committee held this morning with the Secretary of Agriculture as the witness. The Senator from New Hampshire is paired with the Senator from Arizona [Mr. McFARLAND]. The Senator from New Hampshire, if present and voting, would vote "nay," and the Senator from Arizona, if present and voting, would vote "yea."

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Louisiana [Mr. ELLENDER] is absent on official business.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], and the Senator from Arizona [Mr. McFARLAND] are detained on official business at various Government departments.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] is paired with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Minnesota would vote "nay."

The Senator from Arizona [Mr. McFARLAND] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Hampshire would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER] has previously been announced by the Senator from Kansas. If present, the Senator from New York would vote "yea," and the Senator from Maine would vote "nay."

The Senator from Washington [Mr. MAGNUSON] and the Senator from Florida [Mr. PEPPER], if present and voting, would vote "yea."

The result was announced—yeas 35, nays 48, as follows:

## YEAS—35

Barkley	Johnston, S. C.	O'Connor
Chavez	Kilgore	O'Mahoney
Connally	Langer	Overton
Downey	McCarran	Russell
Eastland	McClellan	Sparkman
Fulbright	McGrath	Stennis
Green	McKellar	Taylor
Hatch	McMahon	Thomas, Okla.
Hayden	Maybank	Thomas, Utah
Hill	Morse	Tydings
Hoey	Murray	Umstead
Holland	Myers	

## NAYS—48

Aiken	Cordon	Lodge
Baldwin	Donnell	McCarthy
Ball	Dworshak	Malone
Bricker	Ecton	Martin
Brooks	Ferguson	Millikin
Buck	Flanders	Moore
Bushfield	Gurney	O'Daniel
Butler	Hawkes	Reed
Byrd	Hickenlooper	Revercomb
Cain	Ives	Robertson, Va.
Capehart	Jenner	Robertson, Wyo.
Capper	Kem	Saltonstall
Cooper	Knowland	Smith

Taft  
Tobey  
Vandenberg

Watkins  
White  
Wiley

Williams  
Wilson  
Young

## NOT VOTING—13

Brewster  
Bridges  
Ellender  
George  
Johnson, Colo.

Lucas  
McFarland  
Magnuson  
Pepper  
Stewart

Thye  
Wagner  
Wherry

So Mr. BARKLEY's amendment was rejected.

Mr. BARKLEY. Mr. President, I move to strike section 2 from the joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Kentucky that section 2 be stricken out.

Mr. TAFT. Mr. President, before the vote is taken, I wish to offer an amendment to the section the Senator seeks to have stricken out.

The PRESIDENT pro tempore. The motion of the Senator from Ohio will take precedence.

Mr. BARKLEY. Mr. President, I might explain, in just a word, the effect of the amendment I am offering, which would not preclude the Senator from Ohio from offering an amendment to the language of the section.

Yesterday a number of Senators expressed their fear of, and objection to, the provisions of section 2, the section dealing with voluntary agreements, requiring the President to consult. Just what "consult" means, within the language of the section, no one knows, whom he would consult, whether consultation would be complying with the law if he talked with 1 or 40 in any given industry, and so on.

The provisions of the joint resolution in regard to consultation are so vague that I do not see how any President could know exactly what they meant. The President certainly would be the judge of whom he would consult, how many he would consult, and when he would consult them, whether he would do it in private or whether he would call a public meeting in regard to any particular industry or any given product or commodity. The meaning of the language is very vague, and in my judgment the enactment of the section would not facilitate the making of agreements. If the President should call a conference, large or small, and urge upon the participants an agreement along any particular line and they refused, it would be a practical repudiation by private industry of the request of the President to consult and enter into some sort of agreement for allocations, priorities, and so on.

Another objection to the section is that it leaves the door wide open, without any restrictions, except that the President would be required to approve the agreements in order that a relaxation of the antitrust laws might be brought about.

It has been argued that so long as the President is authorized to approve or disapprove any agreements made, the question whether the antitrust laws shall be relaxed is entirely within his control, and in a sense that is true, because he might refuse to approve an agreement, otherwise beneficial, on the ground that he did not think the antitrust laws should be relaxed to the extent provided for in the joint resolution. Yet it would be re-



garded as an inconsistency on the part of any President to disapprove an agreement because the agreement itself, under the terms of the joint resolution, would relax the antitrust laws.

Therefore we feel that this section of the joint resolution is unworkable and undesirable, and that the joint resolution should be stripped down, in effect, to the two proposals recommended by the President and which have been accepted on the part of the committee, the proposal for extending the two acts which will expire on the 28th day of February, the one with respect to export controls, the other with respect to the allocation of transportation facilities. The amendment I have offered to strike out section 2 would practically have that effect.

Mr. TAFT. Mr. President, I have offered an amendment which is at the desk.

Mr. O'MAHONEY. Mr. President, will the Senator from Kentucky yield before he takes his seat?

Mr. BARKLEY. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desired to ask the Senator from Kentucky if he did not agree with me that the language of the measure as it now stands would have the effect, as he says, of relieving all those who sign an agreement from the operation of the antitrust laws.

Mr. BARKLEY. Yes.

Mr. O'MAHONEY. With respect to any matter that is within the agreement.

Mr. BARKLEY. Within the scope of the agreement.

Mr. O'MAHONEY. Would it not have the positive effect of releasing from the Clayton Act, from the Robinson-Patman Act, and from all the other antitrust laws, any firm, corporation or individual now under a cease and desist order from the Federal Trade Commission, or under the judgment of any decree that has been made by any court with respect to any matter which might come up within such an agreement?

Mr. BARKLEY. Undoubtedly it would relieve those who are under any such process. It might also operate as an inducement for certain concerns to get in under the tent so they would be relieved of the Clayton Act and all the other antitrust laws, by merely joining in the agreement, which would then be put before the President, for him to approve or disapprove.

Mr. O'MAHONEY. I should like to call attention to the fact that one of the provisions of the antitrust law gives a private litigant who has been damaged by any act in restraint of trade the right to sue in the Federal courts. Would not the effect of this language be to kill the right to bring a private suit with respect to any such agreement?

Mr. BARKLEY. It would take away from any aggrieved person the right to institute a civil proceeding to right any wrong he felt he had suffered on account of a violation of the antitrust law, as well as at the same time relieving the guilty concern of any public prosecution on the part of the Government.

Mr. O'MAHONEY. Finally, would it not have the effect of dividing businesses

of this country into two categories? First those who enter into an agreement would be freed from the operation of the antitrust laws, and those who are not brought into the agreement would be under the antitrust laws?

Mr. BARKLEY. Undoubtedly. It is conceivable that two concerns on opposite sides of the street in the same city, one of which had become party to an agreement, the other of which had not, would be put upon an unequal basis. The one on one side of the street, that entered the agreement, would be free from any prosecution or the institution of any civil action, while the one on the other side of the street would be subject to all the penalties of the law, by reason of the fact that he had not become a party to the agreement.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. Is it not true that some of the very cases the Federal Trade Commission is now considering might result in moot decisions?

Mr. BARKLEY. They would certainly be suspended. The Commission could take no further action so long as this provision continued in effect.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. MORSE. I merely want to say to the Senator from Kentucky that I intend to support his amendment to strike section 2, for the following three reasons: First, I am perfectly satisfied on the basis of the information I have already received in my office that large numbers of American businesses and a great number of American industrialists are very much opposed to this section of the joint resolution. They will be found within the automobile industry, within the farm-machinery industry, and within a great many fabricating industries dealing with steel products. They are opposed to this section, because, as they state to me, it would play directly into the hands of the already too powerful monopolistic interests of the country. I certainly do not think we can justify relaxing laws which were passed by the Congress to protect the free-enterprise system. Incidentally, it is my party, the Republican Party, that has made a great record to date in passing antitrust laws. Why endanger them now as a party policy? I do not think we have any justification for granting such tremendous power to any business combine as is proposed to be given to monopolists by this alleged voluntary-agreement section of this resolution. This section, which in reality permits of the setting aside of the antitrust laws, will give competitive advantage to those favored by big-business combines, such as the steel companies. They can invoke arbitrary discriminatory practices against large segments of American industry. I am somewhat at a loss to understand how any Senator, devoted to the ideal of a free-enterprise system and to keeping the channels of competition open, can go along with this section of the bill. I do not think we have stopped to consider fully the legal implications of the section.

The Senator from Wyoming just now pointed out a very vital legal point, which indicates clearly the discriminatory practices which would be legalized by this section of the resolution.

In the second place, I am opposed to it because, to all intents and purposes, it passes the political buck to the President of the United States. I do not approve of playing partisan politics with the inflation crisis which is visiting such suffering upon the American people.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield.

Mr. TAFT. It is a strange thing, then, that within the last few days the largest automobile companies—General Motors and Chrysler—have been opposing this bill, because they think it will enable the President to pass the buck to them. They are the monopolists to which the Senator is referring.

Mr. MORSE. The Senator from Ohio is entirely wrong. I am not charging General Motors or Chrysler with being monopolies.

Mr. TAFT. No; but the Senator said the provision would play into the hands of the large monopolistic elements of industry.

Mr. MORSE. That is exactly right, too.

Mr. TAFT. General Motors and Chrysler are not monopolies, but they are the largest elements in the industry.

Mr. MORSE. To a large extent the provision would play into the hands of powerful monopolists in this country that today control the distribution of steel, and it would put into their hands a power which I do not think it is safe to give them.

Mr. TAFT. If I may so suggest, it seems to me the objection which is made that we should not authorize the making of an agreement between the Government and an industry because somebody is going to be "put on the spot," is the weakest kind of argument against such an approach. That is the way they ought to operate. Government and industry ought to get together and ought to be authorized to make any reasonable agreement to carry out perfectly proper purposes approved by the President. I cannot understand the argument that because they are authorized to meet together, somebody is going to be "put on the spot." We do not care whether anybody is "put on the spot" or not. The question is whether desirable results could be obtained.

Mr. MORSE. Mr. President—

The PRESIDENT pro tempore. The Senator from Kentucky has the floor.

Mr. BARKLEY. I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I am at a complete loss to understand the reasoning of the Senator from Ohio [Mr. TAFT] on this point, because I submit there is only one logical result to be reached by pressing his argument, and that is that we ought to give American monopolies the power to enter into agreements in restraint of trade. That is the net effect of the argument. I shall not be a party to such a program as that. At the present time what we ought to be



doing, instead of adopting such a section as this, is tripling appropriations for the enforcement of the antitrust laws. That would be an inflation check with teeth in it. The point I want to make is that I think the program for the allocation and distribution of materials ought to be under a Government policy and legislative program. It should not be determined on the basis of alleged "voluntary agreements" entered into by the existing monopolistic combines that have caused such concern today in the automobile industry as to what is going to happen to that industry if the section proposed by the Senator from Ohio is adopted by the Congress of the United States. Also the farmers of America have great cause to be concerned over the implications of this section. The allocation and distribution of steel is vital to the production of farm machinery and equipment. The Senator from Ohio [Mr. TAFT] may characterize the argument I have been making by the use of any adjectives that suit his purpose, but I want to say, in characterizing my own argument, that I am arguing for complete support by the Republican Party of the antitrust laws as they now appear on the statute books. I do not think we, as a great political party, can justify, from the standpoint of the public interest, any relaxation of the antitrust laws. That is exactly what the proposal of the Senator from Ohio seeks to accomplish. It would have that effect.

I think the effect of the section is to pass the political buck to the President of the United States. That is partisan politics pure and simple and the American people will see through it and disapprove the political strategy. I do not think it can be justified. The allocation of basic materials should be done by the Government in the public interest. We, through legislation, should lay down the specific criteria which ought to govern any relaxation of the antitrust laws. Unless we do that, I say we cannot justify placing the proposed discretionary power in the President.

The last point I want to make is this: I feel that before we proceed to adopt such a proposal as this, it ought to be subjected to the very careful study of the Judiciary Committee of the Senate for a report on its legal implications. Today we do not have such a study and report. When anyone starts playing and tinkering with the antitrust laws by way of any proposal that permits of their being set aside to any degree whatsoever by voluntary agreement entered into by monopolists I think we should be informed in detail as to the legal effects of the proposal. As a lawyer, I do not propose to sit here and vote for such a section as this until I can have in front of me a carefully prepared report by the Committee on the Judiciary as to the legal effects of the section. After all, we are dealing with the legal rights of the American people in relation to their right to be protected from monopolies. It is very unlawyerlike for us to adopt this section before we know what legal effects it will have upon pending cases, upon future cases and upon our entire free-enterprise system. It is one thing

for the Government in the public interest to allocate basic materials in short supply. It is quite a different thing to give such power to business combines. It violates the sound public policy of our antitrust laws.

Mr. BARKLEY. Mr. President, in order to show the effect of the section, I wish to read a press release given out by the Attorney General on the 12th day of August of this year. It is as follows:

Attorney General Tom C. Clark today instructed the Antitrust Division of the Department of Justice to launch immediately a program aimed at conspiracies to maintain or to increase present prices in the food, clothing, and housing fields. Such conspiracies will be prosecuted criminally, and in those cases the Justice Department will oppose acceptance by the courts of pleas of nolo contendere, and upon conviction of the defendants, the Department will recommend jail sentences for the individual defendants and maximum fines against the corporations.

Mr. Clark stated that although the criminal provisions of the antitrust laws have been invoked in the past, jail sentences for violations have not been imposed except in a few cases. The relative ineffectiveness of past enforcement policies, together with the soaring high prices now continuing in the food, clothing, and housing fields, he indicated, require that a new and more vigorous approach be undertaken in these fields.

Mr. Clark said that the adoption of this action follows a 3-month analysis of the activities of the Antitrust Division by Assistant Attorney General John F. Sonnett, who has been in charge of the Division since May.

The Attorney General said, "In his State of the Union message in January, President Truman pointed out to the Congress that, despite half a century of antitrust law enforcement, one of the gravest threats to our welfare lay in the increasing concentration of power in the hands of a small number of giant organizations and that today we find that to a greater extent than ever before whole industries are dominated by one or a few large organizations which can restrict production in the interest of higher profits and thus reduce employment and purchasing power.

"In his recent midyear economic report, the President warned that prices, to support a prosperous economy, must be kept down to the lowest point compatible with costs and reasonable business incentives and that a free enterprise system cannot tolerate collusion in price, in curtailment of output, or in restriction of capacity expansion, or the hampering of the entry of new firms into the business life of the community.

"The antitrust program for this year will be aimed at these vital problems.

"In addition to the new program, the Division will continue its present activities aimed at breaking up monopoly power in various industries."

Since that release to the press there have been 14 proceedings instituted by the Department of Justice against various organizations in this country. I ask unanimous consent that there may be printed in the RECORD at this point as a part of my remarks a list of the cases, and comments upon them by the Department of Justice.

There being no objection, the matter, list, and comments were ordered to be printed in the RECORD, as follows:

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of an information charging the entering into

agreements to fix the prices of tires and tubes in violation of the antitrust law by eight manufacturing companies of tires and tubes, eight of their officers, a tire manufacturers' trade association, and two of its officers.

The defendant corporations are: Rubber Manufacturers Association, Inc., of New York City; the Dayton Rubber Co., of Dayton, Ohio; the Firestone Tire & Rubber Co., of Akron, Ohio; the General Tire & Rubber Co., of Akron, Ohio; the B. F. Goodrich Co., of Akron, Ohio; the Goodyear Tire & Rubber Co., of Akron, Ohio; Lee Rubber & Tire Corp., of Conshohocken, Pa.; Seiberling Rubber Co., of Akron, Ohio; United States Rubber Co., of New York City.

The individual defendants are: J. L. Cochran, vice president of Seiberling Rubber Co.; I. Eisbrough, vice president of the Dayton Rubber Co.; George Flint, assistant secretary of Rubber Manufacturers Association, Inc.; A. A. Garthwaite, Sr., president of Lee Rubber & Tire Corp.; H. N. Hawkes, assistant general manager, tire division, United States Rubber Co.; Lee R. Jackson, executive vice president of the Firestone Tire & Rubber Co.; L. A. McQueen, vice president of the General Tire & Rubber Co.; J. J. Newman, vice president of the B. F. Goodrich Co.; A. L. Viles, president of Rubber Manufacturers Association, Inc.; R. S. Wilson, vice president of the Goodyear Tire & Rubber Co.

The information charges that the defendants agreed on prices, discounts, allowances, bonuses, classifications of customers, uniform warranties, guaranties and adjustment policies, allocation of sales to State, county, and municipal government agencies, limitations upon production of specified types of tires, and other related practices, for the purpose of eliminating price competition.

It is further charged that the defendants agreed to maintain Rubber Manufacturers Association, Inc., a defendant, as a means by which the prices of tires and tubes were fixed.

John Ford Baecher, first assistant, Antitrust Division, said: "The action taken is the result of an investigation started by the Department of Justice following the receipt of numerous complaints from independent tire dealers and others concerning the pricing practices of tire manufacturers. A grand jury in New York began issuing subpoenas to the manufacturers on March 13, 1946, during the period of governmental control. These subpoenas resulted in the obtaining by the Government of evidence which disclosed studied price-fixing practices by the industry to eliminate the public benefits of competition commencing in 1935. The recent decline in the tire prices occurred about 14 months after the issuing of subpoenas and at a time when the investigation was making progress."

It is pointed out that the price change occurred also at a time when there had developed a surplus of tires in excess of demand, and was accomplished in part by reductions in list prices and of dealers' discounts. The small business dealers alleged that they absorbed much of the price reductions.

The information charges for technical legal reasons that the conspiracy commenced in 1935 and that it has continued within the period of the statute of limitations. However, the investigation disclosed evidence that the violations continued during the period of governmental control.

Mr. Baecher added: "The suit should discourage agreements between the manufacturers to raise or stabilize tire prices with the result that prices to the independent tire dealer and the consumer will be on a competitive rather than artificial level, even after surplus stocks are gone. In view of all the evidence the Government could not consider the present prices as indicating that legal action should not be taken."



The case was prepared by Allen A. Dobe, special assistant to the Attorney General, and John A. Skiles, William H. Glenn, and C. Brooke Armat, special attorneys, under the supervision of Edward P. Hodges, Chief of the Small Business and Complaints Section of the Antitrust Division.

#### TECHNICOLOR FILM—ANTITRUST ACTION

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of California at Los Angeles of a civil action charging Technicolor, Inc., and Technicolor Motion Picture Corp. with monopolizing the business of professional color cinematography, and with having conspired with Eastman Kodak Co. to restrain and monopolize that business, in violation of the antitrust laws.

Attorney General Clark stated:

"This case is a part of the Department of Justice's program aimed at breaking up monopoly power in industry.

"Motion pictures in color today represent from 15 to 20 percent of all feature-length pictures exhibited in theaters in the United States. The capacity of facilities for commercial color processing and other operations in the business of professional color cinematography has been inadequate to meet the demand for filming of motion-picture productions in color. The effect of the practices charged in the complaint has been to restrict the development of the art of professional color cinematography by others than the defendants, and to deprive the public of the benefits of competition in this business."

Assistant Attorney General John F. Sonnett stated:

"Technicolor does over 90 percent of all the business in professional color cinematography. Since 1934 Technicolor has produced the positive-film prints for all of the class A feature-length motion pictures and most of the short subjects and animated cartoons produced in color by the motion-picture industry of the United States.

"It has entered into a series of agreements with Eastman whereby patents, new developments, and technological information relating to color photography would be reserved for Technicolor's exclusive use in the professional field. In our view, Technicolor was thereby enabled to control and monopolize this business and was protected against potential competition from others."

Mr. Sonnett added: "Our suit asks that all the illegal arrangements and agreements be canceled and that the court order such relief with respect to patents and know-how as will dissipate the effects of the unlawful practices charged and permit the establishment of free competition in the industry."

The Government's case was prepared by William C. Dixon, special assistant to the Attorney General, and James M. McGrath, of the Los Angeles office of the Antitrust Division, Department of Justice, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section of the Antitrust Division.

#### FRICTION MATERIALS—ANTITRUST INDICTMENTS

Attorney General Tom C. Clark announced the indictment today by a Federal grand jury in the southern district of New York for violation of the antitrust laws of 20 friction materials manufacturing companies, a trade association of which they are members, and 53 of their officials, for conspiracies to fix the prices of replacement brake linings and clutch facings.

The defendant corporations are: Brake Lining Manufacturers' Association, Inc., of New York, N. Y.; American Brake Shoe Co.,

of Detroit, Mich.; Asbestos Manufacturing Co., of Huntington, Ind.; Bendix Aviation Corp., of Detroit, Mich.; Fibre & Metal Products, Inc., of Downey, Calif.; Firestone Tire & Rubber Co., of Akron, Ohio; Firestone Tire & Rubber Export Co., of Akron, Ohio; Gatke Corp. of Chicago, Ill.; General Motors Corp., of Detroit, Mich.; Grizzly Manufacturing Co., of Bell, Calif.; Johns-Manville Corp., of New York, N. Y.; Johns-Manville International Corp., of New York, N. Y.; Lasco Brake Products Corp., Ltd., of Oakland, Calif.; L. J. Miley Co., of Chicago, Ill.; Pharis Tire & Rubber Co., of Ridgway, Pa.; Raybestos-Manhattan, Inc., of Passaic, N. J.; Russell Manufacturing Co., of Middletown, Conn.; Scandinavia Belting Co., of Newark, N. J.; Southern Friction Materials Corp., of Charlotte, N. C.; Thermoid Co., of Trenton, N. J.; World Bestos Corp., of Paterson, N. J.

The individual defendants are: T. E. Allen, assistant to president, Thermoid Co.; B. Asper, vice president, Johns-Manville International Corp.; P. F. Baillet, export department, Gatke Corp.; H. C. Berkely, sales manager, General Motors Corp.; E. G. Berngen, secretary, Gatke Corp.; J. A. Blake, vice president, Fibre & Metals Products, Inc.; J. G. Brown, sales manager, Grizzly Manufacturing Co.; S. F. Brown, director of exports, American Brake Shoe Co.; H. C. Butterworth, export manager, Russell Manufacturing Co.; A. L. Campbell, sales department, Thermoid Co.; L. M. Cassidy, vice president, Johns-Manville Corp.; O. H. Cilley, vice president, Raybestos-Manhattan, Inc.; E. S. Crosby, president, Johns-Manville International Corp.; H. A. Davis, export manager, Thermoid Co.; Robert B. Davis, vice president, Raybestos-Manhattan, Inc.; J. S. Doyle, staff manager, Johns-Manville Corp.; William H. Dunn, comptroller, Raybestos-Manhattan, Inc.; H. G. Farwell, export department, Raybestos-Manhattan, Inc.; T. L. Gatke, president, Gatke Corp.; J. R. Glazebrook, Johns-Manville Corp.; H. Groendyke, manager, Raybestos-Manhattan, Inc.; F. C. Hepburn, brake lining department, Firestone Tire & Rubber Co.; J. R. Howie, manager, Russell Manufacturing Co.; C. M. Jorgensen, sales manager, Lasco Brake Products Corp., Ltd.; R. E. Keane, automotive division, Russell Manufacturing Co.; Fred J. Kelly, manager, American Brake Shoe Co.; L. G. Kersgard, manager, World Bestos Corp.; Norman Leeds, Jr., general sales manager, Raybestos-Manhattan, Inc.; E. W. Lenz, export division, Grizzly Manufacturing Co.; Furber Marshall, president, Pharis Tire & Rubber Co.; K. W. Nasholds, assistant sales manager, Bendix Aviation Corp.; W. Rahbeck, export department, Firestone Tire & Rubber Co.; G. M. Righter, export manager, Raybestos-Manhattan, Inc.; G. E. Ritter, sales manager, Pharis Tire & Rubber Co.; J. D. Roach, sales engineer, Raybestos-Manhattan, Inc.; A. J. Roemer, sales manager, Bendix Aviation Corp.; J. F. D. Rohrbach, vice president, Raybestos-Manhattan, Inc.; C. W. Sachs, manager, Raybestos-Manhattan, Inc.; H. T. Scheckler, Thermoid Co.; Fred E. Schluter, president, Thermoid Co.; Harry Seith, assistant manager, American Brake Shoe Co.; F. W. Shelton, Grizzly Manufacturing Co.; C. Q. Smith, assistant to president, American Brake Shoe Co.; J. B. Spencer, vice president, American Brake Shoe Co.; Donald H. Spicer, president, World Bestos Corp.; V. A. Spina, treasurer, Scandinavia Belting Co.; L. S. Sullivan, manager, Russell Manufacturing Co.; S. J. Synnott, manager, Raybestos-Manhattan, Inc.; Howard Snow, president, Southern Friction Materials Corp.; M. Steder, sales manager, L. J. Miley Co.; L. W. Tuttle, vice president, Asbestos Manufacturing Co.; G. M. Williams, president, Russell Manufacturing Co.; L. E. Wilson, secretary and treasurer, Asbestos Manufacturing Co.

Three indictments were returned, charging that the defendants conspired on prices,

discounts, classifications of customers, terms and conditions of sales, and other related practices, for the purpose of eliminating competition. Two of the indictments involve domestic sales of friction materials, and the third, sales in foreign commerce.

The indictments further charge that Brake Lining Manufacturers Association, Inc., of New York was an agency through which the defendants made effective their fixing of prices and other illegal practices.

Attorney General Tom C. Clark stated:

"The indictments allege that the corporate defendants manufacture and sell approximately 96 percent of the Nation's replacement brake linings and clutch facings. Defendants' sales approximate \$45,000,000 annually, and their pricing practices especially affect Federal and State governments and municipalities, and other operators of large fleets of automotive equipment. These cases are in line with the regular program of the Department of Justice to attack illegal price fixing."

It is pointed out that the present continuance in service of old automotive equipment makes replacement friction materials an essential to safety on the highways. It is also noted that the defendants through manipulated price and discount lists caused the materials to be sold abroad at prices cheaper than those demanded in the United States, though the articles were manufactured here.

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, said:

"The annual sales value of replacement brake linings is five times that of new equipment. This is a national bill shared by every user of transportation facilities. These cases should promote safety on the highways by enabling the public to purchase brake materials at fair competitive prices.

"Cooperation in the presentation of this case was furnished the United States Government by John M. Murtagh, Commissioner of Investigation for the city of New York. Mr. Murtagh brought to us significant facts as to the cost to the public of these materials for ambulances, fire and sanitation equipment, police cars, and other essential public services."

The case was presented to the grand jury by J. Francis Hayden, Chief of the New York office of the Antitrust Division, Irving Glickfeld, Joseph T. Quinnan, and Emanuel S. Cahn, attorneys attached to the New York Antitrust Office, under the supervision of Holmes Baldrige and George B. Haddock, chief and assistant chief, respectively, of the General Litigation Section of the Antitrust Division, Washington.

Attorney General Tom C. Clark announced that a Federal grand jury in the District of Columbia today indicted the National Association of Real Estate Boards, with principal offices at Chicago, Ill., and the Washington Real Estate Board, Washington, D. C., for violation of the antitrust laws, and the filing by the Government of a civil antitrust suit against the same defendants, the executive vice president of the National Association of Real Estate Boards, and 15 members of the Washington Real Estate Board.

The grand jury charged that the National Association of Real Estate Boards and the Washington Real Estate Board have for many years engaged in a criminal conspiracy to restrain trade in the housing field in the District of Columbia through fixing commission rates to be charged by realtors.

As a result of the conspiracy, the grand jury charges that competition has been eliminated with respect to fees for selling, exchanging, leasing, and managing real property in the District of Columbia, and that amounts paid for commissions to brokers for the sale of houses have increased by 25 to 50 percent.



The National Association of Real Estate Boards is a national trade association comprised of approximately 28,000 real estate brokers, and others affiliated with the real-estate business throughout the United States, and of about 800 local real-estate brokers associations throughout the United States. The national association is an Illinois corporation and maintains an office in the District of Columbia.

The Washington Real Estate Board, a corporation of the District of Columbia, also indicted today, is a trade association with a membership of about 250 real-estate brokers, and others affiliated with the real-estate business, all operating in the District of Columbia. The Washington Board and all of its members are also members of the national association.

In addition to the criminal prosecution of the associations, the Government's civil suit asks cancellation of the unlawful provisions of the constitution, bylaws, rules, and regulations of the national association and of the Washington Board, which fix uniform commission rates. An injunction is also sought to prevent the associations, the 16 individual defendants, and other realtors, from participating in any similar agreements in the future.

The individual defendants in the civil suit are Herbert U. Nelson, executive vice president of the National Association of Real Estate Boards, and the following members and directors of the Washington Board: J. Garrett Beitzell, Lewis T. Breuninger, Lewis F. Colbert, S. Dolan Donohoe, C. H. Hillegeist, Edward K. Jones, William L. Lebling, S. Miles Montgomery, F. Moran McConihe, William L. Orem, Jr., Thomas W. Sandoz, J. Hawley Smith, Raymond M. Taylor, DeVere R. Weedon, Carey Winston.

Attorney General Clark commented:

"Our inquiry into the housing field indicates that artificial restraints on competition, such as those involved in this matter, bears a definite relation to present high housing costs."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated:

"It is charged in these cases that in addition to the absence of competition among real-estate brokers with respect to commission rates, there have been uniform agreements and concerted action whereby realty commission rates have been substantially increased in recent years. Such practices in this field are especially burdensome, particularly in view of the heavy 'turn-over' in dwellings."

The cases were prepared by Victor H. Kramer and Herbert N. Maletz, special assistants to the Attorney General, and by Joseph N. Stanley, special attorney, under the supervision of Assistant Attorney General Sonnett and Edward P. Hodges, Chief of the Complaints Section of the Antitrust Division, Department of Justice.

#### OWENS-CORNING FIBERGLAS CASE

Attorney General Tom C. Clark announced the filing today in Toledo in the United States District Court for the Northern District of Ohio of an antitrust suit in the building material and fabric fields, charging Owens-Corning Fiberglas Corp. and Owens-Illinois Glass Co., both of Toledo, and Corning Glass Works, of Corning, N. Y., with monopoly and conspiracy to monopolize.

The complaint charges that Owens-Corning has a monopoly of United States production of glass fibers and glass-fiber products, and that Owens-Corning Fiberglas Corp. was formed jointly by Owens-Illinois Glass Co. and Corning Glass Works as part of a conspiracy to dominate and control the development of the fiber-glass industry. It also charges that the defendants entered into cartel agreements with the principal foreign producers in order to buttress their mo-

nopoly in the United States by dividing territories and getting exclusive rights to patents and technical information.

Mr. Clark stated: "The glass-fiber industry is a significant new industry in the United States. Glass fibers are threads of glass which are made into the form of glass wool, glass textiles, and glass-fiber mats. Among its important uses are insulation for housing, electrical materials, fireproof fabrics, such as draperies and curtains, and roofing construction. New uses are being discovered frequently. Accordingly, this industry should be opened to free competitive development."

The complaint requests the court to divest Owens-Illinois and Corning Glass Works of their stock interest in Owens-Corning, to enjoin future control, and to split up Owens-Corning according to a plan to be approved by the court, so as to establish independent and competitive business units in the glass-fiber industry.

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated: "This action is in furtherance of the Department of Justice program aimed at unlawful concentration of economic power in national industry. The growing significance of this new product in the construction and fabrics fields is evidenced by the substantial increase in the sales of glass-fiber materials. Owen-Corning's net sales during its first year of business in 1939 amounted to \$4,000,000 and have reached as high as \$56,000,000 in 1 year. It does 98 percent of the national glass-fiber business in six plants, located in Newark, Ohio; Corning, N. Y.; Ashton, R. I.; Burlington, N. J.; Kansas City, Kans.; and Huntingdon, Pa."

The complaint also alleges that Owens-Corning is a jointly owned subsidiary of Owens-Illinois and Corning, two of the largest manufacturers in the glass industry. It was organized by them in 1938 for the purpose of consolidating their respective glass-fiber businesses in a single corporation which would dominate and control the development of this new industry.

It is further charged that the defendants strengthened their monopoly in the United States by means of various cartel agreements entered into with the principal foreign glass-fiber interests for the allocation of territories and the exclusive exchange of patent rights and technical knowledge. The following eight foreign corporations are named as coconspirators in the complaint: N. V. Van Deventer's Glasfabrieken, of Holland; Maatschappij tot Beheer en Exploitatie van Octrooien N. V., of Holland; Algemeene Kunstvezel Maatschappij N. V., of Holland; Societe Anonyme des Manufactures des Glaces et Produits, of France; Chimiques de St. Gobain, Chauny et Cirey of France; Chance Bros. & Co., Ltd. (Chance Bros.), and Fibreglass Ltd., of England; Societa Anonima Vetreria Italiana Balgaretti Modigliani of Italy; Fiberglas Canada, Ltd., of Canada.

It is alleged that such cartel agreements prevented importation of competing goods and hindered other potential domestic producers in getting access to foreign technology and patent rights.

Important glass-fiber products include various forms of thermal and acoustical insulation for building and industrial uses, various types of electrical insulation materials, air filters used in warm-air furnaces, and air-conditioning and ventilating systems, and decorative fabrics used in fireproof draperies, curtains, and the like.

Among the new uses recently discovered are filling for sleeping pillows for allergy victims, for interlining clothing, in frozen-food shopping bags, garment and blanket storage bags, ironing-board covers, lamp shades, and in wrinkle-resistant articles of clothing woven from glass fibers and other fibers. One of the most important potential fields is the use of glass fibers as a reinforcement in the manufacture of plastic materials.

The Government's case was prepared by George W. Wise and Frank W. Gaines, Jr., special attorneys, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section of the Antitrust Division.

#### FULL-FASHIONED HOSIERY MACHINERY

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of an antitrust suit charging the Textile Machine Works and Berkshire Knitting Mills, both corporations of Wyomissing, Pa., and certain of their officers and directors, with monopoly and conspiracy in restraint of trade, in the full-fashioned hosiery and hosiery machinery fields.

The complaint alleges that the Textile Machine Works is the major producer of full-fashioned hosiery machinery, and that Berkshire Knitting Mills is the largest manufacturer of full-fashioned hosiery in the United States, and that the two companies are owned and controlled by substantially the same individuals. Both companies, it is charged, have been engaged in a program designed to strengthen and insure the domination of each company in its respective field and to prevent small hosiery mill operators from obtaining second-hand machines which could produce lower-priced stockings and compete with the new higher-gage machines manufactured by the Textile Machine Works.

With the same object, it is alleged, Textile required veterans who are given priorities under the veterans' rehabilitation program, as a condition to their purchase of machines, to sign an agreement not to sublease or otherwise dispose of their machinery without first offering it to Textile for a repurchase.

Mr. Clark stated: "The monopolistic activities of Textile and Berkshire have created a shortage of hosiery machinery in this country and agreements between the two in restraint of trade have limited the supply of full-fashioned hosiery."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division stated: "There are more than 400 companies in the United States engaged in the manufacture of full-fashioned hosiery, producing annually more than 40,000,000 dozen pairs of stockings having a value in excess of \$300,000,000. Berkshire is the largest manufacturer of these stockings, producing over 2,000,000 dozen a year, which is almost twice as much as its nearest competitor.

A virtual monopoly of the manufacture of machines has been acquired by the Textile Machine Works, which has about 85 percent of the Nation's production facilities for full-fashioned hosiery machines. Berkshire has twice as many machines as any other hosiery manufacturer.

The Government seeks the separation of these two businesses, which are under common control, and to prevent further machine sales to Berkshire until the restraints on trade are fully removed.

The Government's suit asks specifically that an injunction be issued restraining the defendant from continuation of the illegal activities alleged in the complaint; that the court order a separation of the two companies and a divestiture by each company and its officials of all interests in the other company, and that Textile be enjoined, for a period of 1 year and until the effects of the offenses have been fully eliminated, from furnishing machines to Berkshire.

The individuals named in the Government's complaint today are: Henry Jansen, president of Textile and vice president, treasurer, and a director of Berkshire; John E. Livingood, vice president of Textile and secretary and director of Berkshire; Ferdinand Thun, president of Berkshire and a director of Berkshire and also secretary-treasurer of Textile; Ferdinand K. Thun,



assistant secretary of Berkshire and a director of Textile.

The case was prepared by Lester L. Jay, special assistant to the Attorney General, and John D. Leddy, and Francis R. Shields, special attorneys, under the supervision of J. Francis Hayden, Chief of the New York Office, all under the general supervision of Robert A. Nitschke, Chief of the Patent and Cartel Section of the Antitrust Division.

#### ANTITRUST SUIT IN CAST-IRON-PIPE INDUSTRY

Attorney General Tom C. Clark announced the filing today in the United States district court in New Jersey, at Trenton, of an antitrust suit charging five corporations with conspiracy to monopolize and restrain trade in the cast-iron pressure-pipe industry by the abuse of patent rights and lease-license agreements. The defendants are: United States Pipe & Foundry Co., Burlington, N. J.; James B. Clow & Sons, Chicago, Ill.; Glamorgan Pipe & Foundry Co., Lynchburg, Va.; Lynchburg Foundry Co., Lynchburg, Va.; McWane Cast Iron Co., Birmingham, Ala.

The complaint charges that the unlawful action was carried out through lease-license agreements relating to patents, which resulted in limiting the production, types, and dimensions of cast-iron pressure pipe, controlling selling prices in the United States, and maintaining for United States Pipe & Foundry Co. a dominant position in the industry.

The pipe involved in this suit is used principally in the transmission of water and gas under pressure and is the most commonly used material for this purpose. It is essential in the development of new and all large-scale housing areas which require gas and water systems. It is also used in the transmission of crude oil, gasoline, and other liquids and gases.

The suit seeks cancellation of the illegal agreements, and relief against patent abuses, including reasonable royalty licensing.

Attorney General Clark stated: "The complaint sets forth that the defendants together produce approximately 70 percent of all cast-iron pressure pipe made in the United States. The elimination of the restraints in this field should aid in the competitive development of the cast-iron pressure-pipe industry and should have a beneficial effect on the development of housing projects."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated: "The annual sales of cast-iron pressure pipe during 1946 amounted to over \$35,000,000, which represented principally purchases by municipalities, other governmental agencies, and public utilities. The defendants, under patent license agreements, have restrained and effectively monopolized the greater portion of the domestic and foreign commerce in such pipe. Our purpose in this suit is to remove the restraints on competition which have resulted from the defendants' conduct over a period of years."

The case is being handled by Victor H. Kramer and Morton H. Steinberg, special assistants to the Attorney General, and Herbert N. Maletz, special attorney, under the general supervision of Edward P. Hodges, Chief of the Division's Complaints and Small Business Section.

#### DEPARTMENT OF JUSTICE

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of a civil suit charging the Investment Bankers Association of America and 17 investment banking firms with violation of the antitrust laws. The complaint alleges that the defendants have conspired to restrain unreasonably and to monopolize the securities business in this country by restricting, controlling, and fixing the channels and

methods, the prices, terms, and conditions upon which security issues are merchandised.

Named as defendants are the following co-partnerships: Morgan Stanley & Co.; Kuhn Loeb & Co.; Eastman, Dillon & Co.; Kidder Peabody & Co.; Goldman, Sachs & Co.; Lehman Bros.; Smith, Barney & Co.; Glore, Forgan & Co.; White Weld & Co.; and Drexel & Co.; and the following corporations: The First Boston Corporation; Dillon, Read & Co., Inc.; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.; Stone & Webster Securities Corp.; Harris, Hall & Co., Inc.; and Union Securities Corp.

All of the defendants have their principal place of business in New York City, except the Investment Bankers Association of America, the home office of which is in Chicago, Ill.

The complaint defines an investment banker as follows: "A corporation, firm, or person engaged in the securities business who performs primarily the services of (1) rendering advice to issuers concerning financial and business matters, and (2) purchasing security issues from issuers and selling them to security dealers and to investors."

Securities are defined in the complaint as including: "Any stocks, notes, bonds, debentures, or other interests, certificate, or instrument, commonly known as a security, issued (1) by any railroad or other common carrier, or any railroad terminal corporation, (2) by any public utility corporation, (3) by any public authority or agency, (4) by any industrial, financial, service, or other business corporation or organization, or (5) by any foreign government or foreign state or municipality. The term includes revenue bonds and debentures, but does not include any other obligations of the United States or any State or municipality thereof."

During the period from January 1, 1938, to April 30, 1947, according to the complaint, the 17 defendant investment banking firms managed securities sales in the sum of \$14,357,000,000, which represented about 69 percent of the security issues handled by the syndicate method.

The complaint charges that the defendant firms have agreed:

1. To eliminate competition among themselves.
2. To eliminate competition of other investment bankers, and of other prospective purchasers of securities.
3. To prevent, restrain, minimize, and discredit the use of competitive bidding, private placements, agency purchases, and agency sales in the disposal of securities by issuers.
4. To eliminate competition for security issues offered at competitive bidding and to circumvent regulatory orders of Federal and State administrative agencies requiring competitive bidding.
5. To influence and control the management and financial activities of issuers.
6. To preserve their relationships with issuers for whom defendants act as financial advisers or from whom they purchase security issues.
7. To utilize their domination and control over securities business and their influence and control over issuers to encourage and promote consolidations, mergers, expansions, refinancings, and debt refundings in order, among other things, to create an increasing volume of security issues for merchandising by the defendants.
8. To concentrate the business of purchasing and distributing security issues in a single market where sales are made to large institutional investors upon terms and conditions favorable to such buyers and with a minimum of risk to defendants.

Attorney General Tom C. Clark stated, "It is the Government's purpose in this suit to correct long-standing restrictive practices in the investment banking field, developed and followed by these 17 important firms, so as to strengthen and produce competition among

this group and generally in the investment banking industry.

"The economic importance of the case is evident from the fact that since 1938 the 275 firms in the investment banking business have managed the sale of security issues having a value of over \$20,000,000,000, and that the 17 firms named in this case managed groups which sold about 69 percent of that total."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division of the Department of Justice, said: "This action follows an exhaustive inquiry, conducted for several years, into the methods and practices of the investment banking firms of the Nation, which indicated that the 17 firms here involved have handled during the past 10 years about 85 percent of the 'prime securities'—that is, those generally recognized as being of good investment quality with a minimum of speculative characteristics. The Government seeks in this case a court judgment which will effectively and practicably provide for fully competitive conditions in the business, free from existing restraints."

The complaint asks the following specific relief:

1. That each defendant banking firm be enjoined from occupying the dual function of adviser to an issuer and of purchaser for resale of the securities of the same issuer; that each defendant banking firm be required to elect which of these two types of business it will conduct for a particular issuer and to stay out of the business not elected for that issuer.

2. That each of the following defendant banking firms, to wit: Morgan Stanley & Co., First Boston Corp., Dillon Read & Co., Inc., Kuhn Loeb & Co., Blyth & Co., Smith Barney & Co., Lehman Bros., Harriman Ripley & Co., and Goldman Sachs & Co., be enjoined from participating, directly or indirectly, in any buying group formed to merchandise a security issue in which any other of said defendant banking firms is a participant; and that participation by any of the following defendant banking firms, to wit: Glore Forgan & Co., Kidder Peabody & Co., Eastman, Dillon & Co., Union Securities Corp., Stone & Webster Securities Corp., Drexel & Co., White Weld & Co., and Harris, Hall & Co. (Inc.), in buying groups formed to merchandise a security issue, be enjoined in such manner as the court may deem necessary in order to create actual competition in the investment banking industry.

3. That each defendant banking firm be enjoined from placing any officer, director, partner, agent, employee, or nominee on the board of directors of any issuer for whom it acts either as financial adviser or as a purchaser of securities.

4. That each defendant banking firm be enjoined from interfering with the right of any issuer to select both the method by which it will dispose of its securities and the outlet through which the issue will be sold.

5. That each defendant banking firm be enjoined from interfering with the right of any institutional or other investor from choosing freely both the methods by and the agencies through which it will purchase securities.

6. That each defendant banking firm be enjoined from refusing to negotiate with or to compete for the purchase of securities of any issuer either because some other investment banker is or has been the traditional banker for such issuer, or because the business of such issuer might be in competition with the business of some issuer for whom one of the defendant banking firms acts as adviser or handles security issues.

7. That each defendant banking firm be enjoined from asserting any right to deal in the securities of a particular issuer merely because such firm has managed or participated in the merchandising of any security issue emanating from such issuer, or from



recognizing or deferring to such a claim by any other defendant banking firm.

8. That each defendant banking firm be enjoined from creating, managing, or participating as an underwriter in a so-called stand-by account, that is, a buying group with continuous existence formed to merchandise the security issues of a particular issuer if and when issued.

9. That each defendant banking firm be enjoined from participating in any overly-large buying group, that is, a buying group which is larger than necessary to handle a particular security issue, for the purpose of defeating competitive bidding.

10. That each defendant banking firm be enjoined from acting with any other defendant banking firm or with any other concern engaged in the securities business, either to select jointly or to delegate to anyone the selection of the security dealers to participate in selling groups, or the institutional investors, including insurance companies and others, to whom any part of a security issue purchased by such defendant banking firm shall be sold.

11. That each defendant banking firm be enjoined from acting in concert with any underwriter in any buying group in which such defendant banking firm participates, or with any security dealer in a selling group, to maintain retail prices for securities, and to fix and maintain uniform dealer discounts or commissions, except where such activity is permitted by an act of Congress or by the rules and regulations of an appropriate administrative agency based upon such act of Congress, for the sole protection of investors.

12. That each defendant banking firm be enjoined from engaging in, or causing others to engage in, market operations of any kind designed to stabilize and maintain the market price of securities in any issue it purchases, except where such activity is permitted by an act of Congress or by the rules and regulations of an appropriate administrative agency based upon such act of Congress, for the sole protection of investors.

13. That the Investment Bankers Association of America be ordered dissolved and the defendant banking firms be enjoined from organizing or joining any other association engaged in similar practices and having similar purposes.

The case is in the immediate charge of Roscoe T. Steffen, Henry V. Stebbins, and J. Francis Hayden, special assistants to the Attorney General, assisted by Mervin C. Pollock, Joseph Tubridy, Robert S. Fougner, and Harry Sklarsky. The case is under the general supervision of Holmes Baldridge, who is in charge of general antitrust litigation.

#### ANTITRUST INDICTMENTS IN HOUSING FIELD

Attorney General Tom C. Clark announced today that a Federal grand jury in Kansas City, Mo., returned antitrust indictments today against the Greater Kansas City Chapter, National Electrical Contractors Association and certain of its members located in the Kansas City area and certain other of its members located in the Springfield, Mo., area. The defendants are charged with conspiracy to restrain trade in the installation of electrical systems in housing.

The Kansas City area defendants are: Evans Electrical Construction Co., the Squire Electrical Co., North Kansas City Electric Co., A. E. Smiley & Co., C. F. Miles, John St. Clair, Charles Owsley, Arthur E. Smiley, John C. Murray, Fred E. Geiss, and Harry Young.

The defendants in the Springfield area are: Aton & Luce, Inc., Mound City Electrical Engineering Co., O. F. Luce, W. B. Aton, F. S. Ledy, Victor L. Doris, C. W. Lamons, and O. M. Roper.

The Greater Kansas City Chapter, N. E. C. A. and its manager, J. W. Collins, were named defendants in both indictments. Eighteen other electrical contractors, who are members of the Greater Kansas City Chap-

ter of the N. E. C. A., and who attended some of the meetings of the association, were named as coconspirators but not as defendants in the Kansas City area indictment.

The Kansas City area indictment alleges that the defendants and their coconspirators, in order to eliminate competition among themselves, agreed unlawfully upon escalator clauses in bids. They also agreed upon a uniform, minimum mark-up to be charged for labor when selling electrical contracting service and to include in their charges for work on prefabricated houses a sum which would represent the profit they would have made if the electrical materials already in these houses had been sold by them.

The Springfield area indictment charges unlawful agreements not to contract to supply the labor required in the installation, alteration, or repair of electrical systems unless the owner paid an additional sum representing a part of the profit the contractor would have made if the electrical materials had been supplied by him.

Attorney General Clark stated: "These cases are a part of the program of the Department of Justice to attack conspiracies in the housing field which contribute unlawfully to construction costs."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, stated: "The defendant contractors in the Kansas City and Springfield areas have, by means of unlawful practices, materially increased prices for electrical contracting work. Conspiracies such as these in the food, clothing, and housing fields will be vigorously prosecuted."

In charge of the cases for the Department of Justice are Edward R. Kenney, special assistant to the Attorney General, Donald P. McHugh and William E. Speer, special attorneys in the Antitrust Division, Washington, D. C. The cases are under the supervision of Edward P. Hodges and Victor H. Kramer, chief and assistant chief, respectively, of the complaints and small-business section of the Antitrust Division.

#### ANTITRUST SUIT AGAINST VEHICLE AND INDUSTRIAL BRAKING SYSTEMS INDUSTRY

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of a civil action charging seven corporations with violating the antitrust laws in connection with the manufacture and sale of braking apparatus for motor vehicles and industrial equipment.

The defendants named in the Government's suit are Bendix Aviation Corp., South Bend, Ind.; Hydraulic Brake Co., Detroit, Mich.; Wagner Electric Corp., St. Louis, Mo.; E. I. du Pont de Nemours & Co., Wilmington, Del.; General Motors Corp., Detroit, Mich.; Bendix-Westinghouse Automotive Air Brake Co., Elyria, Ohio; Westinghouse Air Brake Co., Wilmerding, Pa.

Mr. Clark said: "The complaint charges the defendants, whose combined 1946 sales of braking systems and parts totaled approximately \$76,000,000, were conspiring to monopolize the automotive and industrial brake business in the United States. The unlawful patent and other activities with which these defendants are charged have resulted in arbitrary prices which the American automobile owners have had to pay and are still paying for the braking systems of their passenger and commercial cars, trucks, and busses."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, said: "This suit charges that the defendants have utilized their ownership of hundreds of patents relating to braking systems to retain and extend their control of this field; to compel their customers to purchase unpatented along with patented parts of such systems; to suppress inventions and improvements in braking systems which might ad-

versely compete with defendants' products; and to exclude competitors by threatening and conducting harassing and oppressive patent litigation."

The complaint, according to Mr. Sonnett, recites a series of corporate acquisitions and agreements among the defendants by which they are alleged to have divided the manufacture and sale of braking systems into separate fields allocated among themselves on an exclusive basis.

With respect to passenger cars, the complaint states that every automobile manufactured in the United States is equipped with hydraulic brakes on terms and conditions imposed by Hydraulic Brake Co., a wholly owned subsidiary of Bendix Aviation, which, in turn, is partly owned by General Motors; that Hydraulic Brake Co. requires passenger-car manufacturers to purchase all or, in a few cases, most of their hydraulic braking systems and parts from Bendix Aviation and Wagner Electric, the former supplying most of the brake assemblies and the latter most of the actuating equipment; and that almost all of the fluid used in the hydraulic brakes is manufactured by du Pont and sold by du Pont and Wagner Electric.

In the commercial motor-vehicle field the situation with respect to hydraulic brakes is alleged to be the same, and, in addition, the complaint states that Bendix Aviation manufactures and sells most of the vacuum boosters employed on heavier motor vehicles, such as large trucks and busses, to increase the efficiency of their hydraulic braking systems. Wagner Electric and Bendix-Westinghouse, which is jointly owned by Bendix Aviation and Westinghouse Air Brake Co., together sell almost all of the air brakes used in commercial motor vehicles in the United States.

Mr. Sonnett said: "The Government will seek to have the defendants enjoined from enforcing the patents which they have utilized to further their control. It will also seek to unscramble, through divestitures, the intercorporate stockholdings and company acquisitions in this field by the defendants. The Government will also ask the court for cancellation of the licenses, agreements, and understandings of the defendants necessary to dissipate the effects of their alleged monopoly and illegal activities, and to establish and maintain competition in the manufacture and sale of braking systems."

The complaint was filed by J. Francis Hayden, chief of the New York office of the Antitrust Division, who was assisted in its preparation by Irving B. Glickfeld and Mervin C. Pollak, special assistants to the Attorney General, and Joseph P. Quinnan, special attorney. The case is being handled under the supervision of Robert A. Nitschke, Chief of the Division's Cartel and Patent Section.

#### ANTITRUST SUIT AGAINST CELLOPHANE MONOPOLY OF DU PONT CORPORATION

Attorney General Tom C. Clark announced the filing today in the United States District Court for the District of Columbia, Washington, D. C., of an antitrust suit charging E. I. du Pont de Nemours, Inc., of Wilmington, Del., with unlawfully monopolizing the cellophane industry in the United States. Six foreign corporations though not defendants are named as coconspirators with the defendant du Pont Co. They are: La Cellophane, Société Anonyme, of France; British Cellophane, Ltd., of England; Canadian Industries, Ltd., of Canada; Kalle & Co., A. G., of Germany; Société de La Viscose Française, of France; Viscose Development Co., Ltd., of England.

The Government's complaint charges that by reason of its monopoly the du Pont Co. exercises control of the domestic market for cellophane products and has excluded others in the United States from that business. Du Pont acquired and supported its



monopoly through various cartel agreements allocating world markets between it and leading foreign cellophane manufacturers and providing for the exclusive interchange of technical information between du Pont and its coconspirators. The illegal activities were carried out in part by the unlawful employment of patent rights, and the fixing of arbitrary and noncompetitive prices.

The relief sought by the Government would require du Pont to sell at reasonable prices such of its plants as may be necessary to permit others to enter the cellophane field. The court is also asked to appoint receivers and trustees to execute its orders requiring the disposal of such du Pont plants and factories.

Attorney General Clark stated: "This is a major case directed at a serious monopoly condition where avenues of competition are closed. For many years du Pont's cellophane plants have produced in excess of two-thirds of all of this commodity used in this country. This illegal monopoly power stifles free enterprise and should be eliminated."

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, stated: "This action is filed as part of the continuing program of the Division aimed at the breaking up of the unlawful concentration of economic power in the United States. During 1946 the gross sales of the cellophane industry were approximately \$62,000,000 of which the defendant du Pont Co. had over \$16,000,000. The du Pont monopoly is more effective because of the absence of any foreign imports of cellophane, and du Pont's only competitor in this country operated under production restrictions imposed by it. The Department expects by this suit to create for the first time conditions that will result in competition in the manufacture and sale of this essential product."

The Government's case was prepared by James L. Minicus and George W. Wise, special attorneys, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section of the Antitrust Division.

#### ANTITRUST SUIT AGAINST SHOE MACHINERY MONOPOLY

Attorney General Tom C. Clark announced the filing today of a civil antitrust suit charging the United Shoe Machinery Corp., of Boston, Mass., with violating the Sherman Act by monopolizing the shoe-machinery industry of the United States.

The complaint was filed in the United States District Court at Boston. It seeks to compel United Shoe Machinery Corp. to sell all of its plants used in the manufacture of shoe-factory supplies and some of its plants engaged in the manufacture of shoe machinery and tanning machinery, and to offer to sell its machinery to shoe manufacturers instead of only leasing, as it does now, and to make available to its competitors all patents and know-how relating to shoe machinery.

Attorney General Clark said, "By reason of the defendant's monopoly it is impossible for an American shoe manufacturer to own most of his machinery. This is contrary to our tradition and principles of free private enterprise. We are seeking to end this monopoly which has destroyed the independence of the shoe industry of the United States."

The Government's complaint states that the defendant manufactures over 90 percent of most of the important types of shoe machinery, and is the only company in this country which can completely equip a shoe factory with all necessary machinery. It charges that for many years the defendant has violated the antitrust laws by monopolizing shoe machinery, shoe-machinery parts, shoe-factory supplies and tanning machinery.

The complaint alleges that United has accomplished its illegal monopoly by the following methods:

1. Eliminating and disabling its actual and potential competitors engaged, or proposing to engage, in the development, manufacture, and distribution of shoe machinery, by acquiring their assets and employing their key men.

2. Inducing companies engaged in the manufacture and distribution of shoe machinery and shoe-repair machinery to confine their operations to certain machines, to distribute their machinery to shoe factories exclusively through United, and to refrain from selling shoe-repair machinery to shoe factories.

3. Pursuing a manufacturing and marketing policy designed to prevent the installation in shoe factories of all competitive shoe machinery and to displace with United machinery all competitive shoe machinery installed in shoe factories.

4. Engrossing patents and inventions relating to the manufacture of shoe machinery and using such patents and inventions to prevent competitors from manufacturing and distributing shoe machinery in the United States.

5. Preventing the distribution of second-hand shoe machinery.

6. Requiring lessees to purchase from United all parts for shoe machinery leased by it.

7. Acquiring the capital stock of corporations engaged in the manufacture and sale of shoe factory supplies.

8. Inducing manufacturers engaged in the manufacture of shoe factory supplies to market such supplies to the shoe trade exclusively through United.

9. Using its monopoly of shoe machinery as an instrument to monopolize the distribution of shoe factory supplies.

10. Acquiring the capital stock and assets of tanning machinery companies.

The complaint further alleges that defendant United Shoe Machinery Corp. acquired the assets of its principal competitor, General Shoe Machinery Co., by subterfuge to hide the fact that United was acquiring the assets of a competitive shoe machinery company. This was done by inducing International Shoe Co., General's largest stockholder, to purchase General's assets and simultaneously to transfer them to United, thus making it appear that United had acquired the assets of a company producing shoes instead of a competitor producing shoe machinery. As a consequence of the transaction, General was dissolved and ceased doing business.

The complaint charges that in furtherance of its monopoly United acquired some or all of the assets of 14 other competitors, namely: Reece Shoe Machinery Co., C. C. Blake, Inc., Littleway Process Co., Northern Machinery Co., Monfils Shoe Machinery Co., Brauner Manufacturing Co., General Machine Sales Co., Barge Electric Shoe Cement Press, Fitchburg Engineering Corp., Barlor Welting Co., Safety Utility Economy Co., Standard Shoe Tying Machine Co., Naumkeag Buffing Machine Co., and Gimson Shoe Machinery Co.

Other monopolistic devices used were restrictive agreements between United Shoe Machinery Corp. and other competitors, including Singer Manufacturing Co., Lamson Co., Tubular Rivet & Stud Co., Breuer Electric Manufacturing Co., and Landis Machine Co. Among these agreements was one whereby United would refrain from manufacturing or distributing upper fitting shoe machinery of the kind manufactured by a competitor and the latter would not engage in the manufacture and distribution of any other type of shoe machinery.

The complaint also states that United's monopoly has been materially strengthened by its machinery leasing system. Of the 123,000 United machines in shoe factories over 80 percent are leased instead of sold. The terms of the leases make it highly impractical for shoe manufacturers to substitute competitive machinery for United machinery.

United, it is charged, has also gained control of all patents of importance in the shoe machinery industry, and has used this control to maintain its monopolistic position.

Assistant Attorney General John F. Sonnett, in charge of the Antitrust Division, observed in this respect: "The abuse of patent rights has been a principal means whereby United has achieved and maintained its monopoly. It has acquired 4,172 patents since 1930. It uses only 363 of these in machines introduced since 1930. Most of its patents have been laid away on the shelf. United has compelled manufacturers to use obsolete shoe machinery, thus retarding the introduction of mass-production techniques in the manufacture of shoes and preventing reductions in shoe manufacturing costs by the use of modern machinery. We seek to put an end to the use of patents by United to monopolize an entire industry."

In charge of the case for the Department of Justice is Grant W. Kelleher, Chief of the New England Antitrust Office, at Boston, Mass., assisted by C. W. Rowley, Alfred Karsted, Edward M. Feeney, Jr., and Roy N. Freed, special attorneys in the Antitrust Division office at Boston. The case is under the supervision of Holmes Baldrige, Chief of the General Litigation Section of the Antitrust Division.

#### ANTITRUST DIVISION SUIT AGAINST ARTIFICIAL ABRASIVES INDUSTRY

Attorney General Tom C. Clark announced today the filing in the United States District Court, Buffalo, N. Y., of a civil antitrust suit charging the Abrasive Grain Association and five corporations with fixing prices for artificial abrasive substances in violation of the Sherman antitrust law.

The defendants are Abrasive Grain Association, of Worcester, Mass.; Norton Co., of Worcester, Mass.; The Carborundum Co., of Niagara Falls, N. Y.; American Abrasive Co., of Westfield, Mass.; The Exolon Co., of Tonawanda, N. Y., and General Abrasive Co., Inc., of Niagara Falls, N. Y.

All of the defendant manufacturers are members of the association. Five other members of the association are named as coconspirators but not as defendants. They are, Washington Mills Abrasive Co., of North Grafton, Mass.; Abrasive Products Co., of Lansdowne, Pa.; The John W. Higman Co., of New York, N. Y.; Wisconsin Abrasive Co., of Milwaukee, Wis., and Simonds Abrasive Co., of Philadelphia, Pa.

The defendant manufacturers and coconspirators produce approximately 98 percent of all artificial abrasive grain manufactured in the United States.

Attorney General Clark said, "The artificial abrasives involved in this suit are of basic importance to United States industry. They are widely used in the manufacturing processes of the construction, automotive, plumbing supply, hardware, glass, and optical industries as well as in the polishing and finishing of stone and gems. Restrictive practices in the production and sale of this material have a direct effect upon costs in a large number of our basic industries."

John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division, stated, "This industry has annual sales in excess of \$18,000,000, of which the five defendants in this case do in excess of \$16,000,000. The complaint charges that the defendants and their coconspirators have continuously planned and acted together through the association to eliminate price competition and have agreed upon uniform price policies, terms, and conditions of sale for artificial abrasive grain. It also charges that they have adopted a price filing program which has resulted in substantial identity of price among all the members of the association."

"The complaint seeks to have the association dissolved, to enjoin the defendants from further agreements fixing prices, terms or



conditions of sale, and to prevent the defendant manufacturers from exchanging current and future price lists among themselves or with other manufacturers of such artificial abrasives."

The case was prepared by Grant W. Kelleher, chief of the Antitrust Division's Boston office, with the assistance of Special Assistant to the Attorney General Richard B. O'Donnell, and James F. Burns and Alfred M. Agress, special attorneys, under the supervision of Robert A. Nitschke, Chief of the Cartel and Patent Section.

ANTITRUST INDICTMENT OF NEW ENGLAND EGG DEALERS FOR PRICE RIGGING

Attorney General Tom C. Clark announced the indictment today by a Federal grand jury in Boston, Mass., of the Boston Fruit & Produce Exchange and 12 egg dealers in Boston for conspiracy to fix and stabilize egg prices throughout New England.

The defendants are as follows: Boston Fruit & Produce Exchange, of Boston, Mass.; H. P. Hood & Sons, Inc., of Boston, Mass.; Armour & Co., of Chicago, Ill.; Berman & Co., Inc., of Boston, Mass.; Bartlett Varney Co., of Boston, Mass.; Chaplin & Adams Corp., of Boston, Mass.; E. F. Deering Co., Inc., of Boston, Mass.; H. A. Hovey Co., of Boston, Mass.; Kennedy & Co., Inc., of Boston, Mass.; A. E. Mills & Son, Inc., of Boston, Mass.; Beatrice Foods Co., of Chicago, Ill.; Brockton Cooperative Egg Auction Association, Inc., of Avon, Mass.; and New Hampshire Egg Auction, Inc., of Derry, N. H.

Attorney General Clark stated: "This indictment has been returned by the grand jury in connection with the program of the Antitrust Division to prosecute illegal conspiracies which increase or maintain the price of food. The indictment charges that the Boston Fruit & Produce Exchange is not a bona fide commodity market for the actual purchase and sale of appreciable quantities of agricultural products. The grand jury found that the exchange was being used by the defendant dealers to fix collusively egg prices throughout New England, in violation of the antitrust laws."

The indictment charges that the defendants have conspired to use the exchange as an instrumentality to determine among themselves and to establish fictitious official wholesale prices for each grade of eggs, and to purchase eggs from farmers and to sell eggs to retailers and other distributors at prices based upon and related to the so-called official price.

The indictment recites that the transactions on the exchange are only token transactions among the defendants and account for less than 1 percent of the actual volume of purchases and sales of eggs by members of the exchange. However, it is charged that the defendants agreed to revise or adjust their actual buying and selling prices each day by the amount of the changes, if any, in the rigged official prices.

The official price quotations circulated by the exchange are not the actual prices at which most eggs are being sold at wholesale, and farmers who sell their eggs on the basis of those quotations are misled, according to the indictment.

The conspiracy, the grand jury found, also had the effect of increasing retail prices of eggs to consumers throughout New England, and of stabilizing and pegging wholesale prices.

In this connection, John F. Sonnett, Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, observed:

"By means of the conspiracy, prices for eggs throughout New England have been maintained at levels even above the high prices prevailing in New York and Philadelphia. In addition, during August of this year, the indictment alleges that the defendants, through the exchange, raised

wholesale prices of eggs from 61 cents to 73 cents per dozen. Thus, the grand jury investigation which led to this indictment has disclosed that the exceptionally high prices for eggs prevailing in New England in recent months are the result in part at least of price-fixing activities among dealers in violation of the antitrust laws. Such unlawful practices are particularly reprehensible in the present period of inflationary high prices."

In charge of the case, with the active cooperation of William T. McCarthy, United States attorney at Boston, is Grant W. Kelleher, chief of the Boston office of the Antitrust Division. The case was presented to the grand jury by James M. Malloy, Richard B. O'Donnell, and Alfred M. Agress, attorneys in the Antitrust Division Office at Boston. The case is under the general supervision of George B. Haddock, in charge of the Food Section of the Antitrust Division.

Mr. LANGER. Mr. President, would the Senator object to having the clerk read the list? I am interested in knowing what the Attorney General has done.

Mr. BARKLEY. The compilation is quite a lengthy one, and I would not wish to detain the Senate for the considerable time which would be required to have it all read. It will be available in the RECORD so all Senators may read it.

Mr. LANGER. Could we have the titles read by the clerk?

Mr. BARKLEY. I think I might satisfy the Senator by reading the first paragraph in connection with one of these cases.

Attorney General Tom C. Clark announced the filing today in the United States District Court for the Southern District of New York of an information charging the entering into agreements to fix the prices of tires and tubes in violation of the antitrust law by eight manufacturing companies of tires and tubes, eight of their officers, a tire manufacturers' trade association, and two of its officers.

The defendant corporations are: Rubber Manufacturers Association, Inc., of New York City; the Dayton Rubber Co., of Dayton, Ohio; the Firestone Tire & Rubber Co., of Akron, Ohio; the General Tire & Rubber Co., of Akron, Ohio; the B. F. Goodrich Co., of Akron, Ohio; the Goodyear Tire & Rubber Co., of Akron, Ohio; Lee Rubber & Tire Corp., of Conshohocken, Pa.; Seiberling Rubber Co., of Akron, Ohio; U. S. Rubber Co., of New York City.

Then follow the names of individuals. In each of the cases that sort of information is provided.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. I should like to have some things made clear. Of course I am opposed to strengthening monopolies at any time. I should like to ask the Senator from Kentucky if in offering his amendment to strike out section 2 of the joint resolution it is his contention that no agreement could be entered into looking to a better distribution of materials without inevitably strengthening monopolies?

Mr. BARKLEY. I will say to the Senator from Vermont that I think it very questionable whether agreements can be entered into between private corporations in regard to allocation of goods or priority in the distribution of goods without to some extent strengthening monopoly. I think the balance between good and evil must be found in such

cases. I do not mean to say that it might not be desirable to have some understanding with the manufacturers or distributors of certain commodities with regard to a more equitable distribution, and it may be that an agreement would cover that. But I think the possibility of evil under section 2, which I seek to eliminate, is much greater than the possibility of good that may accrue by reason of it, and having in mind what are the advantages and disadvantages, it seems to me the disadvantages are greater than the advantages resulting from retaining section 2 in the joint resolution.

Mr. AIKEN. I had felt that the section was properly safeguarded, and wanted to be sure of it. I felt it was properly safeguarded by requiring the President to approve such agreements, and I felt that he would not approve any agreement relating to the distribution of materials without the advice and approval of the Department of Justice. If the section is not properly safeguarded I desire to know it.

Mr. BARKLEY. I think it is proper to assume that no President would approve an unconscionable agreement if he knew it to be such. But the trouble about the whole section is that the agreements it contemplates, whether after or without consultation with the President, are put up to him.

I want to say to the Senator from Oregon [Mr. MORSE] that I appreciate his suggestion about putting the President on the spot. None of us want to do that. But far beyond that, I do not want to put the American people on the spot by approving a provision which may result in their damage and their injury, after an agreement has been put up to the President with respect to which he must decide whether it shall go into effect, with all the proposed relaxation of all the antitrust laws, the Clayton Act, the Federal Trade Act, and all the others, or disapprove it, with the possibility that he will be accused—and we are all human—after consultation with certain elements of business, of having destroyed an agreement in order that he might preserve the antitrust laws, which would be relaxed in the event the agreement were entered into. So I think the advantages in this section are far less than the disadvantages, if the language is kept in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. I think the discussion would be clearer if I were permitted to offer an amendment to perfect the section before further discussion takes place.

Mr. BARKLEY. I have finished what I have to say. The Senator may proceed.

Mr. TAFT. Mr. President, I offer the perfecting amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Ohio will be stated.

The CHIEF CLERK. On page 2, it is proposed to strike out line 25 and lines 1 to 6 on page 3 and insert the following:

(c) Whenever a governmental officer or agency determines that a plan of voluntary



action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the antitrust laws of the United States or the Federal Trade Commission Act.

(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency, by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (c), the provisions of this act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this act shall expire upon expiration of section 3 of this act, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

Mr. TAFT. Mr. President, what this amendment does is to substitute for paragraph (c) of section 2, at the bottom of page 2 and top of page 3, the provisions of the Harriman bill submitted by the Department of Commerce, dealing with the subject of antitrust legislation. I think there can be no objection to making that substitution. After that I should like to argue the general question raised by the amendment of the Senator from Kentucky.

Mr. BARKLEY. Mr. President, the language offered by the Senator from Ohio, which is taken from a part of the so-called Harriman bill, is an improvement over the language of the joint resolution, but it is not the language of the Harriman bill as it was submitted. The Harriman bill provided for mandatory controls on the part of the President, and provided also for certain relaxations in the antitrust laws where the President had exercised such mandatory control.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The only change made is this: The Harriman bill read in this way: "Whenever a governmental officer or agency which is authorized to and could exercise mandatory power determines that a plan of voluntary action is necessary and desirable," then the antitrust law is suspended. The only difference is that the Harriman bill in other sections provided for mandatory control, and then provided, with respect to any field where the power was given, even though it was not exercised, that a voluntary agreement could be entered into, suspending the antitrust laws. So

I think I am making a fair statement in saying that, so far as voluntary agreements are concerned, this is an exact copy of what Secretary Harriman's bill provided.

Mr. BARKLEY. That is correct; but the impression that is likely to be left by the Senator's statement of a moment ago is that the language which he offers taken from the Harriman bill is the whole story of the Harriman recommendations.

Mr. TAFT. No. I do not wish to leave that impression. I am simply applying to this measure the same provision with respect to exemption from the antitrust laws that Secretary Harriman applied to voluntary agreements in his bill. Of course his bill also imposed general mandatory powers.

Mr. BARKLEY. The bill authorized the President to designate the agency or departments for the exercise of such mandatory power and control. This language simply says that when any department decides that there is a field in which voluntary agreements might operate, this language shall apply; but the Harriman bill did not eliminate the over-all mandatory control power given to the President of the United States, which he might delegate to some department or agency which he might name.

Mr. TAFT. In any event, as I understand, the Senator has no objection to my substituting this language.

Mr. BARKLEY. No. I think the suggested language is an improvement over that now contained in the joint resolution. Nevertheless, with that language in, I still wish to maintain my position as to the elimination of section 2 as it will thus be amended.

The PRESIDENT pro tempore. The question is on agreeing to the perfecting amendment offered by the Senator from Ohio [Mr. TAFT].

#### INTERIM REPORT OF SUBCOMMITTEE ON OIL SUPPLY AND DISTRIBUTION PROBLEM (REPT. NO. 806)

Mr. IVES. Mr. President, I do not wish to go into the technicalities of the discussion now under way. However, there is one matter which I should like to bring to the attention of the Senate, which may not have received much emphasis up to the present time. I refer to the dire need of something of this nature being done immediately.

It is all very well to enter into a discussion of the over-all controls which have been contemplated in the amendments offered by the senior Senator from Kentucky; but the controls which have been suggested by way of amendments will not meet the situation to which I refer. I am speaking about the oil situation and the fuel oil shortage. At the present time if all the controls in kingdom come were granted the President of the United States and the Government of the United States to solve the question of fuel-oil distribution through rationing or any other process of distribution by the Government, action could not be done in time to avert a serious situation this winter.

The only way this can be done practically is through voluntary agreements among the oil companies. I happen to know whereof I speak, because the Subcommittee on Oil Supply and Distribution Problems of the Special Senate Committee to Study the Problems of American Small Business has been going into this matter quite thoroughly during the past several months.

One of the great difficulties which has confronted this subcommittee in reaching a satisfactory solution to this problem has been the fear of the oil companies themselves that they would be violating the antitrust laws. When we are considering the question of a violation of the antitrust laws, I think we should bear in mind the basic purpose of the legislation which we are now considering. Presumably the antitrust laws and the antimonopoly laws are aimed at avoiding any action which would restrain trade and fix prices contrary to the welfare of the consumers—the general welfare. That is quite different from what we have here in mind. What we are trying to do in this instance is to devise a plan, whereby through the voluntary approach, there can be greater and better distribution, and under which, because of the protection given in this section through the operation of the Government itself, there will be no price manipulation. There is no reason why a condition should thus arise, under which there would be any form of price manipulation whatever.

Because this question happens to arise at this particular time in the discussion, and because I should like to have it before Members of the Senate and the House prior to the adjournment of the present session, in the absence of the Chairman of the subcommittee, the Senator from Nebraska [Mr. WHERRY], who is unavoidably detained, I desire at this time to submit the report of the Oil Supply and Distribution Problem Subcommittee of the special Senate committee, to which I have previously referred. In doing so I point out that minority views will be presented by the Senator from Iowa [Mr. WILSON], who in one particular does not quite agree with the report. Therefore at this time I ask unanimous consent to submit the report.

The PRESIDENT pro tempore. Without objection, the report will be received.

#### DISCRIMINATORY TAXES AND LICENSING FEES IMPOSED ON OLEOMARGARINE

Mr. FULBRIGHT. Mr. President, since the joint resolution under consideration is concerned with the control of inflation, although rather remotely, I think it is appropriate to say a few words about a related matter which deals directly with the high cost of living. That matter is the repeal of the discriminatory taxes and licensing fees on margarine. I believe these restrictions are, under present conditions, wholly unjustifiable.

I am today introducing a bill which would repeal the Federal taxes and Federal license fees on oleomargarine.



This measure is similar in some respects to a bill introduced in the Seventy-eighth Congress, although that measure did not completely repeal all taxes and license fees. However, it was the subject for comprehensive hearings before a Subcommittee of the Senate Committee on Agriculture and Forestry. I have read the hearings and feel that they brought out almost all the pertinent facts with regard to this controversial question.

To those Senators who are interested in this subject and who have not read the record of the hearings referred to, I suggest that they take time to find out what was said about margarine and the margarine laws at the time.

Both points of view were brought out. The witnesses by no means were all witnesses favoring margarine. The butter interests presented their case and presented it well, and at great length.

Nevertheless, I strongly feel that the record developed before the Senate subcommittee clearly indicates that the discriminatory margarine laws have no place in the United States. They are foreign to our outlook. They are directly opposed to the spirit of free enterprise. They constitute the only case where a Federal tax is levied on one domestic product for the benefit of another competing product. There is no sound reason for them. They are inflationary. Because of them the housewife has to pay more for margarine and to waste time and food in preparing it for use.

The repeal of these taxes will act directly in two respects: One, in connection with the waste of fats and oils, which are the scarcest commodities in the world today. It has been estimated that because of the requirements regarding the coloring of margarine it, in effect, forces the housewife to color it herself, and at least 11,000,000 pounds of margarine is wasted each year. The other effect of this ridiculous requirement which forces the housewife to color her own margarine is the waste of time involved, which runs into astronomical figures when one considers the number of people who buy uncolored margarine and color it in their own homes.

The first Federal law regulating the sale and manufacture of margarine was enacted in 1886. This law imposed a 2-cent Federal tax on all margarine.

From one standpoint, there may have been some justification for the first margarine laws. At first, the product lacked flavor and appearance. It was something entirely different from the food under the same name which is made and sold today. At that time the manufacturer was unable to purify, concentrate, or make vitamin A. There were no pure food laws at the time, and unscrupulous makers of many food products victimized the public. This was not confined to margarine. Some margarine makers tried to sell their product as butter. Only the very-low-income groups used margarine in any quantity. Consequently when the butter industry demanded protection from margarine, there were few defenders for the latter. I call attention to the Pure Food and Drug Act of 1906 and to the Federal Trade Commission Act of 1914.

It will be noticed in the hearings in 1944 that the Butter Institute and its representatives placed great emphasis on what went on prior to the pure food law of 1906, in other words, in the early days around 1886. That still seems to be the criterion which they desire us to use in judging the fairness and equitable nature of the present laws.

Nowadays, the Federal and State pure food laws guarantee the proper labeling and standard of purity of food products, including margarine. The consumer is given adequate protection by the pure food laws. An official definition and standard of identity has been adopted for modern margarine. Margarine, under it, has a minimum fat content of 80 percent, the same as butter. The standard requires fortified margarine to contain a minimum of 9,000 U. S. P. units of vitamin A per pound. But 99 percent of all margarine now is fortified with 15,000 units of vitamin A, the content always being shown on the label. The only basic difference between margarine and butter is that the first is made from vegetable fat, the second from animal fat.

This is what the report on margarine by the New York Academy of Medicine states:

From a nutritional viewpoint, when it is fortified with vitamin A in the required amount, oleomargarine is the equal of butter, containing the same amounts of protein, fat, carbohydrates, and calories per unit of weight. Moreover, since the minimum vitamin A content of enriched oleomargarine is fixed, and the amount of this vitamin in butter may range from 500 to 20,000 units per pound, enriched oleomargarine is a more dependable source of vitamin A than is butter. Since it is a cheaper product than butter, fortified oleomargarine constitutes a good vehicle for the distribution of vitamin A and fats to low-income groups and should therefore be made available to them. Under the standards set by the Food and Drug Administration, oleomargarine is as clean and sanitary a food as butter. The two products are likewise equal in digestibility. Their relative palatability is a matter of individual taste.

A report on margarine by the Food and Nutrition Board of the National Research Council says:

The present available scientific evidence indicates that when fortified margarine is used in place of butter as a source of fat in a mixed diet no nutritional differences can be observed. Although important differences can be demonstrated between different fats in special experimental diets, these differences are unimportant when a customary mixed diet is used. The above statement can only be made in respect to fortified margarine, and it should be emphasized that all margarine should be fortified.

Over the years the butter industry has agitated for additional Federal legislation to restrict margarine. The principal basis for renewed attack was that margarine was colored yellow to look like butter. In 1902 the law was amended and the tax on colored margarine raised to 10 cents a pound. The tax on margarine free from artificial color was fixed at ¼ cent a pound.

In this connection I might say that only butter is exempt from certain labeling requirements of the Federal Food, Drug, and Cosmetic Act. Artificial color may be and is added without stating this fact on the label. Special dairy interests

that put through the legislation on margarine were able to prevent butter from having to be labeled as margarine must be labeled. Likewise, the butter label states no grade or other standard by which the contents—a pound of butter—may be judged by the consumer.

A dairy organization cites six cases of the fraudulent sale of margarine as butter. It thus attempts to stigmatize the entire margarine industry because of the isolated actions of a handful of individuals over a period of from 20 to 30 years. The amount of margarine involved in the six cases was infinitesimal by comparison with the amount of the product which was manufactured. The records of judgments under the Federal Food, Drug, and Cosmetic Act, published by the Food and Drug Administration, show that between 1933 and June 1947 butter was seized, for various violations, 2,292 times. Margarine was seized only 21 times during this period. At no time was margarine seized for contamination, filth, addition of foreign matter, decomposition, or similar reasons, as was butter. Margarine's 21 seizures under the Food and Drug Administration have been only because of slightly less than 80 percent fat content.

During the period mentioned, butter volume was four to five times that of margarine. But the seizures were at a ratio for butter of 100 to 1 for margarine.

Today, the butter industry, when hard pressed, falls back on the contention that butter has some sort of monopoly on yellow. The contention is made that margarine is colored yellow only to imitate butter. With that assertion the butter interests seem to feel they have proved their case for the continuation of discrimination against margarine.

The color argument falls to pieces on close examination. It is as artificial as the coloring used in most butter.

In the first place, if butter has some sort of preemptive right to yellow as a color, margarine should not be allowed to use yellow at all. There should even be a prohibition against the mixing of color into margarine in the home. The Congress is inconsistent when it allows margarine to be colored on the payment of an extra 10 cents a pound. Certainly, also, there is little rhyme or reason in the license taxes which force wholesalers and retailers to pay sizable fees for the privilege of selling margarine. If butter has an inherent right to use yellow to the exclusion of any competitor, why permit wholesalers and grocers to sell yellow margarine at all?

And why is it that, under many of the State laws, it is insisted that a hospital—for example, one in New York—which colors its own margarine must pay the manufacturer's license fee of \$600 a year for that privilege? That whole approach is entirely inconsistent. If the coloring of margarine yellow is intrinsically bad and fraudulent, then it should be prohibited and outlawed, and a penalty should be put on it. It is perfectly ridiculous to approach the matter by means of taxes and license fees.

Of course, the objective of the butter organization is to outlaw entirely the production of margarine. I quote now from their own statement, as contained in the



It is the unanimous conclusion of the subcommittee that more time is needed to make the report called for in the resolution by January 10. On behalf of the subcommittee we are seeking an extension of time to February 10, 1948.

This subject has been brought to the attention of the Senator from New Jersey [Mr. SMITH], who, under the terms of the resolution, is an adviser to the subcommittee from the Committee on Foreign Relations. He concurs in the view and conclusion of the subcommittee that the time should be extended. I have also brought the matter to the attention of the Senator from Michigan in connection with the question of the extension of time.

I therefore submit a resolution and ask unanimous consent for its immediate consideration, so that this question can be disposed of.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 178) submitted by Mr. REVERCOMB was read, as follows:

*Resolved*, That Senate Resolution 137 of the Eightieth Congress, first session, is amended by striking out the word and figures "January 10, 1948", on page 2, section 2, line 12, and inserting in lieu thereof the following word and figures: "February 10, 1948."

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. HILL. Mr. President, reserving the right to object, I did not understand the purpose of the resolution.

The PRESIDENT pro tempore. The purpose of the resolution is to extend the time for a report by a committee of the Senate.

Mr. HILL. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

#### PROVISIONS OF NEW TAX BILL

Mr. McCLELLAN. Mr. President, I have just learned that a new tax bill has been introduced today in the House of Representatives. I am much gratified with two provisions of the new tax bill introduced today by Representative KNOTSON, chairman of the Ways and Means Committee of the House of Representatives. The raising of personal exemptions and the extension of the split-income principle to husbands and wives of the 36 common-law States are essentially vital in any fair and equitable general tax measure.

The Republican leadership refused to accept either of these provisions in amendments which I offered to the two former tax-reduction bills, which they attempted to pass over a Presidential veto earlier this year. I am glad, indeed, that strong public sentiment supporting those provisions has compelled them to change their views. It now appears the majority party is willing to make the right approach to tax revision and tax reduction by granting tax relief to those in the lower-income brackets, who need it most, and by placing all married couples, irrespective of State citizenship, on

an equal basis under the law for income-tax purposes.

The remaining issue for determination is whether the Government can stand the loss of some \$5,300,000,000 of revenue that the bill entails. That will have to be weighed in the light of conditions that obtain at the time of vote on final passage.

Mr. President, a few days ago on the floor of the Senate I urged that in any tax bill which might be offered, the two provisions to which I have referred be included; and I hope that if the Congress should enact a tax law at the next session those two provisions will be a part of the new law.

#### DISMANTLING AND REMOVAL OF PLANTS IN GERMANY

Mr. EASTLAND. Mr. President, the distinguished Senator from New Hampshire [Mr. BRIDGES] and I have introduced a joint resolution which will require the approval of the Congress of the United States before industrial plants can be dismantled and shipped as reparations out of the American zone of Germany.

The joint resolution also provides that any dismantlings or removals now being undertaken shall be discontinued immediately. Section 2 of the resolution requests the President, acting through the Secretary of State, to confer with the British Government with a view to the adoption by such Government of a similar policy with respect to plant dismantlings and removal in the British Zone of Germany.

This policy of dismantling peacetime industrial plants, capital equipment, and shipping them out of Germany as reparations is done by virtue of agreements negotiated by administrative officials. This policy is illegal. It is wrong and injurious to our best interests. Under the Constitution of the United States, the executive branch of this Government does not have the power to grant reparations, or to fix the boundaries of countries as it has done in the case of Germany. The extent of its power is purely to negotiate. It can negotiate agreements of this character and then submit them to the Senate of the United States for ratification. We have here a classic example of the congressional "run-around," of the usurpation of congressional authority, and of the violation of the plain mandate of the Constitution.

The peacetime industrial plants of Germany should be held in statu quo. If there are to be capital reparations, or reparations out of current production, or the plan for reparations, whatever it is, it should, before taking effect, be submitted to the Senate of the United States for ratification or the Congress should by legislation determine these questions. We alone are the policy-making branch of the Government. We alone have the power in the premises. Reparations are one of the subjects of the peace treaty and they have been handled in the peace treaties after every other war in which this country has participated.

I note in the public press that a group of bureaucrats representing our War and State Departments have met with certain

other lesser bureaucrats from other countries and decided that the western zones of Germany shall permanently have an industrial production of peacetime civilian goods equal to their industrial production level of these goods in 1936. In other words, the western zones, with millions more inhabitants, due to the Russian terror, than they had in 1936, will be permanently held down to an industrial production equal to the production that year. This is high policy, Mr. President. This is a permanent program which will greatly affect the economy of this country and the entire fabric of world peace. The solution of the problem of Germany is of the utmost importance to every man, woman, and child in America for generations to come. Where did General Clay get this power? Where did the State or War Departments get such authority? It is beyond my comprehension that the Senate should permit employees in the executive departments of the Government to usurp authority and claim the right to set a permanent level of production in a foreign country. No one has the legal authority to set the limit of German peacetime industry except that it be ratified by the Senate through a treaty of peace.

Mr. President, it is the duty of the Congress of the United States to zealously guard and protect its powers and prerogatives. I feel that we are derelict in our duty when we permit the Federal departments to exercise such vast power to make policy and to set the pattern for the future Germany without coming to us for approval. Mr. President, if the American Congress does not stop this program in Germany until it is approved as provided in the Constitution, or until there is legislation, then we have sacrificed public esteem for the United States Senate and for the Congress. We have failed to preserve our powers and not only do great harm in this instance but through precedent we greatly impair the future usefulness of the Senate and permit the powers of the Senate to be whittled away by these unconstitutional encroachments.

Mr. President, the question of the future of Germany as an industrial nation is a question of the utmost importance to the United States. If heavy industry in western Germany is to be greatly limited then its swollen population, which cannot grow over one-half of its food supplies within its boundaries will have to concentrate on light consumer goods industries to make a living and survive as a people. That would make fierce competition—unnaturally fierce competition—for world markets with the light-goods industries of the United States. We have millions of people, Mr. President, who work in these industries in this country today. Germany has historically purchased more American products than all of Latin America combined. It is historically one of our best customers. It has been a particularly good customer for the American farmer. If permitted to produce the goods of peace unhindered by restrictions, Germany in the future will be one of the best customers of the farmers of America. The people of this country have a great stake in the



future of a prosperous Germany. If Germany is to be poor and unable to support herself she will continue to be a drain upon our Treasury and a menace to world order. These questions, fraught with serious implications to the people of this country, should be determined and settled in a legal way. The American Congress should not permit subordinate officials in the bureaus to wield the power of life or death over the future of Germany. The Senate should make the policy regarding dismantling the plants; the Senate should decide on the amount of reparations; the Senate should determine what country shall secure them, whether friend or foe, and then when the peace treaty is presented to the Senate for ratification we shall not be powerless and shall not be faced with a fait accompli. When the plants are gone and the people are deprived of a means to support themselves we are asked for an appropriation to prevent starvation. The Congress has no alternative except to comply.

Mr. President, it is interesting to note that in spite of the anti-Russian statements which originate from the army of occupation in Germany, in granting reparations, our officials have been definitely partial to and have favored the Soviet Union and its satellites over friendly countries. Of the 90,000 tons of reparations which have been shipped out of the American zone of Germany, more than 80 percent have gone to Russia and the countries in its sphere. In fact, Russia has received over three times her proportionate share of German reparations shipped from our zone to date. That would not have happened if constitutional mandates had been followed.

In addition, according to testimony before the Senate Appropriations Committee, authorities in charge of this program are contemplating giving substantial reparations from the German economy to Tito's Yugoslavia. There is a country, Mr. President, which in the maelstrom of postwar events has emerged as a world outlaw. In violation of her pledge to the United Nations covenants, she has armies posed on the boundaries of friendly, though weaker, neighbors. Through her actions she has already forced our Nation in pursuit of its aim of world stability to pour out its treasure, and has compelled greater sacrifices on the part of the American people. There is a nation which shot down and murdered in a most dastardly fashion five American flyers who were on a friendly mission over that country—a nation which has suppressed every individual right of its citizens, and which today stands as a great menace to world peace. It is to that nation that the bureaucrats now say we must hand over German plants and further impoverish Europe and entail further sacrifices upon the American people through our great desire to ameliorate the deadening consequences of 5 years of devastating war. Would the Senate permit this; would two-thirds of the Senate concur in such an unjustifiable program? Would two-thirds of the Senate further encourage Tito's acts of vandalism and murder, and further build up his terror?

Mr. President, the resolution provides for the creation of a joint congressional committee, to be composed of five Members of the Senate and five Members of the House of Representatives, to carry on a continuing review of the entire subject of the dismantling of plants in the occupied sections of Germany, and to report their studies and findings to the Congress for action.

The subject matter is one which presents considerable complications, and it will require considerable time and study to keep the Congress fully advised; but it is a matter of such importance that I think the creation of this special committee is justified at a time when we are considering the rehabilitation of Europe at such large cost to this Nation. It is doubtful whether any industrial plant moved from the location where it has been successfully operated to a new location can ever become a going concern. It would be senseless to move a plant from western Europe to eastern Europe unless the raw material and the skilled labor necessary for its operation were available at the new location. Why should western Europe, which now is receiving such largess at our hands, be deprived of an industrial plant merely because another nation might desire it, without giving any proof that it can be integrated into the economy of Europe in its new location? It would be the sheerest folly to say that 682 plants can be moved from the western zone of Germany to any other portion of Europe and that all 682 of those plants could be profitably operated in the new locations—to say nothing of the time spent in dismantling the plants and to say nothing of the technological loss that is always incurred in the wholesale removal of industrial plants.

If it is a matter of reparations, Mr. President, then it is almost axiomatic that it is folly. If the removal of the plants is for the purpose of reducing the industrial production of Germany to the production of 1936, then it is a matter to be handled in the peace treaty. I am certain that the Congress has not yet been convinced that the advisers to our military authorities in Germany have made so sufficient a study of this problem that we can afford to be guided solely by their decisions.

I think it imperative that such a committee be created, or, in lieu of the creation of such a committee, that the Foreign Relations Committee of the Senate arm and equip itself with experts, and take over the job itself.

Russia has breached all her agreements made with the United States and other powers. From her every action, she seems to be a nation bent upon the domination of Europe and bent upon world conquest. Since the failure of the Foreign Ministers Conference held in London, it is evident that she is committed to the creation of strife and discord and the perpetuation of starvation and suffering throughout western Europe, in the hope of achieving her aim of domination either through war or internal revolution.

It is becoming increasingly evident, Mr. President, that when she becomes

industrially strong, her plans for world domination will be put into effect through aggressive warfare, with the ultimate aim of the destruction of our country and the enslavement of all like-minded people. She has checked the matter up to us. We have no alternative. Russian expansion must be stopped or the light of civilization will be extinguished in the world, to come again when no one can foretell.

In our own self-interest, this country must speedily pass the Marshall plan for the rehabilitation of western Europe and, in addition, must build up our armed forces to such an extent as to make us impregnable. We must build immediately and maintain consistently an air force large enough and strong enough to wreak havoc upon any aggressor.

From the failure of the London Conference, it is obvious that the split between eastern and western Europe has doomed the United Nations as an overwhelming factor for peace along the lines for which it was originally created, and we can no longer afford to rely upon that organization for the maintenance of either peace or our preservation.

Today the road to peace will be found only in strength. If we are strong and if western civilization is made strong, communism and the Russian imperialism will be confronted with superior forces at every point. This, Mr. President, is the only sure road to peace.

#### STABILIZATION OF COMMODITY PRICES AND THE NATIONAL ECONOMY

The Senate resumed the consideration of the resolution. (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

Mr. MAYBANK obtained the floor.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. MAYBANK. I yield.

Mr. TAFT. I simply wish to call the attention of Senators to the fact that if this joint resolution is to be passed at all, it should be passed at the earliest possible moment in order that it may reach the House of Representatives before the House adjourns, if it is to be passed by the House of Representatives tomorrow. I certainly would greatly appreciate it if Senators would refrain from making speeches on extraneous subjects. I have no desire to limit the debate on this joint resolution; but if anything is to be done about it, it should be done as soon as possible.

So I hope very much that Senators will refrain from making speeches on extraneous subjects.

Mr. MAYBANK. Mr. President, I wish to address myself to the Senator from Ohio. I shall be only too pleased to relinquish the floor and take it later to make the remarks I wish to address to the Senate. As the distinguished Senator knows, I asked if I might be recognized, and was told that I could be. I should like to say to the Senator from Ohio that so far as I am concerned, if the Senate is ready to go forward with the business in hand, I shall be only too glad to take my seat, with the request that after the pending measure shall have been disposed of, I may be recognized.



The PRESIDENT pro tempore. In the opinion of the Chair, the suggestion made by the Senator from South Carolina has supporting validity, and the present occupant of the Chair will undertake to recognize the Senator.

Mr. MAYBANK. I thank the President pro tempore, because I am a member of the committee which considered the measure now before the Senate, and, like the Senator from Ohio, I should like to see some measure relating to the subject passed before we adjourn.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Ohio.

The amendment was agreed to.

Mr. BALDWIN. Mr. President, a short time ago the distinguished Senator from New York—

The PRESIDENT pro tempore. The Chair will advise the Senator from Connecticut that the Senate has not yet concluded consideration of the phase of the bill to which the pending amendment refers. The question now recurs on the amendment of the Senator from Kentucky [Mr. BARKLEY] to strike from the joint resolution section 2, as amended. Does the Senator from Connecticut desire to be recognized before the vote is taken?

Mr. BALDWIN. I do not.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Kentucky to strike out section 2, as amended.

Mr. MAYBANK. A parliamentary inquiry. After the pending business has been transacted, will I be recognized?

The PRESIDENT pro tempore. The Chair understands that the Senator from South Carolina wishes to be recognized after the joint resolution has been passed.

Mr. MAYBANK. In case any Senator should take the floor to make a speech on some extraneous subject, I should desire to be recognized, because I have relinquished the floor for the transaction of the pending business. Of course, any speeches which have to do with that are perfectly proper, but I think in justice to me no Senator should be recognized to make a speech on an extraneous matter.

The PRESIDENT pro tempore. The situation is entirely in the hands of the Senator from South Carolina. If he shall be on his feet first, he will be recognized by the Chair.

The question is on agreeing to the motion of the Senator from Kentucky to strike section 2 from the joint resolution, as amended.

Mr. MURRAY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Butler	Donnell
Baldwin	Byrd	Downey
Ball	Cain	Dworshak
Barkley	Capehart	Eastland
Bricker	Capper	Eaton
Bridges	Chavez	Ellender
Brooks	Connally	Ferguson
Buck	Cooper	Flanders
Bushfield	Cordon	Fulbright

Green	McClellan
Gurney	McFarland
Hatch	McGrath
Hawkes	McKellar
Hayden	McMahon
Hickenlooper	Magnuson
Hill	Malone
Hoey	Martin
Holland	Maybank
Ives	Millikin
Jenner	Moore
Johnson, Colo.	Morse
Johnston, S. C.	Murray
Kem	Myers
Kilgore	O'Connor
Knowland	O'Daniel
Langer	O'Mahoney
Lodge	Overton
McCarran	Reed
McCarthy	Revercomb

Robertson, Va.
Robertson, Wyo.
Russell
Saltonstall
Sparkman
Stennis
Taft
Taylor
Thomas, Okla.
Thomas, Utah
Tobey
Tydings
Umstead
Vandenberg
Watkins
White
Wiley
Williams
Wilson

The PRESIDENT pro tempore. Eighty-six Senators having answered to their names, a quorum is present.

The question is on agreeing to the motion by the Senator from Kentucky to strike out section 2, as amended.

Mr. BARKLEY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and will vote. I vote "nay."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE], who is necessarily absent, is paired with the Senator from Illinois [Mr. LUCAS]. The Senator from Minnesota, if present and voting, would vote "nay," and the Senator from Illinois, if present and voting, would vote "yea."

The Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "nay," and the Senator from New York, if present and voting, would vote "yea."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

The Senator from North Dakota [Mr. YOUNG] is unavoidably detained and is paired with the Senator from Florida [Mr. PEPPER]. The Senator from North Dakota, if present and voting, would vote "nay," and the Senator from Florida, if present and voting, would vote "yea."

The Senator from New Jersey [Mr. SMITH] is detained on official committee business. If present and voting, he would vote "nay."

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Illinois [Mr. LUCAS] is paired with the Senator from Minnesota [Mr. THYE]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Minnesota would vote "nay."

The Senator from Florida [Mr. PEPPER] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Florida

would vote "yea," and the Senator from North Dakota would vote "nay."

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "yea," and the Senator from Maine would vote "nay."

The result was announced—yeas 42, nays 44, as follows:

#### YEAS—42

Barkley	Johnson, Colo.	Myers
Byrd	Johnston, S. C.	O'Connor
Chavez	Kilgore	O'Daniel
Connally	Langer	O'Mahoney
Downey	McCarran	Overton
Eastland	McClellan	Robertson, Va.
Ellender	McFarland	Russell
Fulbright	McGrath	Sparkman
Green	McKellar	Stennis
Hatch	McMahon	Taylor
Hayden	Magnuson	Thomas, Okla.
Hill	Maybank	Thomas, Utah
Hoey	Morse	Tydings
Holland	Murray	Umstead

#### NAYS—44

Alken	Dworshak	Millikin
Baldwin	Eaton	Moore
Ball	Ferguson	Reed
Bricker	Flanders	Revercomb
Bridges	Gurney	Robertson, Wyo.
Brooks	Hawkes	Saltonstall
Buck	Hickenlooper	Taft
Bushfield	Ives	Tobey
Butler	Jenner	Vandenberg
Cain	Kem	Watkins
Capehart	Knowland	White
Capper	Lodge	Wiley
Cooper	McCarthy	Williams
Cordon	Malone	Wilson
Donnell	Martin	

#### NOT VOTING—10

Brewster	Smith	Wherry
George	Stewart	Young
Lucas	Thye	
Pepper	Wagner	

So Mr. BARKLEY's motion to strike out section 2, as amended, was rejected.

Mr. FERGUSON. Mr. President, I move the reconsideration of the vote just taken.

Mr. TAFT. Mr. President, I move that the motion of the Senator from Michigan be laid on the table.

The motion to reconsider was laid on the table.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following:

Notwithstanding any other provision of law, in order to alleviate and prevent shortages in foods, agricultural commodities, and products thereof, Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guarantees, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: *Provided*, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved



by concurrent resolution of Congress within 60 days thereafter.

Mr. BARKLEY. Mr. President, with the modification which has been inserted after consultation with the Senator from Ohio [Mr. TAFT], and which incorporates the proviso with respect to submitting any such program to Congress to be acted upon within 60 days, this is the joint resolution which I introduced a few days ago, providing that the Commodity Credit Corporation might promote the production of food and feeds in non-European foreign countries in order to avoid the food shortages which are so bedeviling the world today.

Mr. TAFT. Mr. President, this authorization relates to point No. 6 of the President's program. It was not included in the joint resolution only because in our opinion this program can already be undertaken. It was undertaken in the case of the Philippine Islands. Under the general program agreed to with the House, the necessary funds were to be included in the appropriation bill. This authorization was considered to be unnecessary. However, if there is any doubt about it, I am perfectly willing to have such authorization go into the pending joint resolution.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

The amendment was agreed to.

Mr. BARKLEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. At the proper place in the joint resolution it is proposed to insert the following:

(a) In order to alleviate shortages in foods and feeds, and to assist in stabilizing prices, the President shall carry out a program for the conservation of food and feed. In carrying out such program, the President is authorized, through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices. The authority herein conferred may be exercised by the President through such departments, agencies, independent establishments, and officials of the Federal Government and such State, local, and private agencies as he may determine.

(b) There is hereby authorized to be appropriated to the President such sums as may be necessary to carry out this section. To enable the President to carry out this section for the remainder of the fiscal year ending June 30, 1948, there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. Funds made available for the purpose of this section may be used for necessary administrative expenses, including personal services in the District of Columbia and elsewhere, purchase or hire of motor vehicles, temporary

or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, without regard to the civil-service and classification laws (the compensation of any such individual not to exceed \$50 per day). Funds made available for the purposes of this section may be allotted for any of the purposes of this section to any department, agency, or independent establishment of the Government, or transferred to any other agency requested to assist in carrying out this section. Funds allotted to any department, agency, or independent establishment of the Government shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., title 41, sec. 5, and title 31, sec. 529).

Mr. BARKLEY. Mr. President, this is an authorization for a general food-conservation program to be inaugurated by the President. I think we all agree that such a program is desirable in order that we may coordinate all the efforts of our people and the Government to prevent the wastage of food and promote the conservation of food and feeds.

The amendment authorizes an appropriation which hereafter shall be determined by Congress in carrying out the provisions of the amendment, except that for the remainder of this fiscal year not to exceed \$1,000,000 shall be allocated from the funds made available under Public Law 84, which is the post-UNRRA relief bill which we passed at the last session of Congress.

I hope the Senator from Ohio and the Senate will accept this amendment as a step in the direction of trying to concentrate all our efforts in the saving of food and the prevention of waste, either of food or feeds, or other materials necessary in the crisis in which we find ourselves.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Does the amendment which the Senator from Kentucky has offered in any way, directly or indirectly, give the President power to ration under this conservation policy?

Mr. BARKLEY. I cannot conceive of any such interpretation. It is certainly not my intention to include language which would do that. I do not think it does.

Mr. TAFT. Mr. President, this question was not included because of our feeling that the President already had authority to do what is provided by the amendment. In fact, he has been doing it. The Department of Agriculture has been doing exactly this, without any express authorization.

Senators will find in the current appropriation bill, which is now being considered by the committee, and which will be before us tomorrow, a provision that the Secretary of Agriculture is authorized to utilize not to exceed \$2,750,000,000 for various things, including any programs approved by the President under existing laws to encourage conservation practices. I suggest that if we include in the joint resolution a provision appropriating \$1,000,000, perhaps the Ap-

propriations Committee should reduce the amount in the appropriation bill. I think the suggested authorization is probably desirable, although I think perhaps we might omit the second paragraph and let the appropriation bill go through as it is, to take care of the money.

Mr. BARKLEY. Mr. President, while it is true that the President did carry on a conservation program in recent months under the direction of Mr. Luckman, a program with which we are all familiar, that program was carried on, in a sense, without specific authorization of law. This amendment contemplates a program more in the nature of a permanent program—at least for a longer period of time.

Mr. TAFT. I entirely agree with the first section, but I wondered whether the second section was not a duplication of what the Appropriations Committee is doing.

Mr. BARKLEY. The appropriation bill has not yet come to the Senate. I do not know what it will contain when it comes here. If this amendment should be agreed to, I should be perfectly willing to eliminate that much of the appropriation when it reaches the Senate. However, I dislike to eliminate it now, and run the chance of its not being in the appropriation bill when it reaches the Senate for consideration.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. KNOWLAND. Would the Senator from Kentucky have any objection to inserting in line 9, before the word "measures," the word "voluntary"? The wording appears to me to be a little broad.

Mr. BARKLEY. Mr. President, I have been talking all day and part of yesterday against the voluntary theory of legislation in regard to price controls and things of that sort. I do not think the amendment would carry the implication that the President might impose any restrictions as a result of this program, because the law does not authorize him specifically to do so.

Mr. KNOWLAND. Let me say to the able Senator from Kentucky that one of the great problems we encounter in foreign affairs is the nature of some of the fuzzy agreements which we have to consider. One of the troubles we encounter in legislating is having the legislation which is enacted subject to interpretation both ways. I understand the Senator to say that in his judgment this amendment would not confer the power of rationing. Nevertheless, I can see no harm in adding at that point the word "voluntary," because if the Senator cares to construe it so that the President, by other than voluntary means, may do thus and so, it looks as though his amendment is wide enough to give someone the chance to interpret it that way. It reads as follows:

In carrying out such a program the President is authorized through the dissemination of information, educational, and other campaigns, the furnishing of assistance, and such other measures as he deems necessary or appropriate.



I say that is as wide as a barn door.

Mr. BARKLEY. Would the Senator agree that instead of the word "voluntary" the words "cooperative measures" be used?

Mr. KNOWLAND. Why not use the words "voluntary cooperative measures"?

Mr. BARKLEY. That would be tau-tology.

Mr. KNOWLAND. I would feel a little better with that language in the measure, because we have had considerable experience.

Mr. BARKLEY. I will agree to insert the words "other voluntary and cooperative measures."

Mr. KNOWLAND. Mr. President, I offer that as an amendment.

The PRESIDENT pro tempore. Without objection, the amendment to the amendment is agreed to.

The question is now on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The joint resolution is open to further amendment.

Mr. BARKLEY. I have no further amendment to offer. I have no desire to delay a vote on the passage of the resolution.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Vermont.

Mr. FLANDERS. Mr. President, the Senator from Connecticut [Mr. BALDWIN] and I offer an amendment to Senate Joint Resolution 167, which I desire to read.

On page 4, between lines 21 and 22, it is proposed to insert a new section as follows:

CRITICAL SHORTAGES—RECOMMENDATIONS BY THE PRESIDENT

SEC. 6 (a). Whenever the President shall determine that there is or threatens to be a critical shortage of any raw material, commodity, or product which jeopardizes the health or safety of the people of the United States or its national security or welfare and that there is no prospect that such critical shortage may soon be remedied by an increase in the available supply without additional governmental action, and that the situation cannot be solved by voluntary agreements under the provisions of this joint resolution for conserving such raw material, commodity, or product, he shall submit to the Congress in the following form:

(1) A statement of the circumstances which, in the President's judgment, require the proposed conservation measures.

(2) A detailed procedure for the administration of the proposed measures, including an additional budget and additional personnel required for their enforcement.

(3) The proposed degree of curtailment in current and prospective use of each such raw material, commodity, or product by each processor and/or user thereof, including all specific formulae proposed for such curtailment with respect to each class or classes of processors or users, and the criteria used in the establishment of such formulae.

(4) A complete record of the factual evidence upon which his recommendations are based, including all information provided by any agency of the Federal Government which may have been made available to him in the course of his consideration of the matter.

(b) Within 15 days after the submission of such proposed conservation measures, the Joint Committee on the Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

On page 4, line 23, it is proposed to strike out "SEC. 6," and insert in lieu thereof "SEC. 7."

I can state the purpose of the amendment in a very few words. It is to place in the joint resolution definite provision for the initiative of the President in acting in these matters and to provide a procedure which will assure prompt action.

Mr. President, I move the adoption of the amendment.

Mr. BARKLEY. There are no copies of the Senator's amendment available, and it has been difficult to follow it while the Senator read it, due to interruption, lack of order, and for other reasons. I wonder if the Senator could give the Senate a word of explanation of what it attempts to do.

Mr. FLANDERS. Yes. In a word, or in 15 or 20 or 40 words, it attempts to do this—

Mr. BARKLEY. The Senator had better make it 100 words.

Mr. FLANDERS. It gives the initiative to the President in the field of this particular legislation whenever voluntary methods are not adequate to meet an existing critical situation. It requires that the President shall prepare legislation, shall document the case with full information as to the data which he took into consideration in recommending the legislation, and that thereupon, on receipt of it by the Congress, it shall be turned over to the Joint Committee on the Economic Report, and that the Joint Committee on the Economic Report shall within 15 days hold hearings on the subject, and thereafter report to the two Houses of Congress recommended action based on the President's recommendations and on any additional information which may have been gained in the hearings.

Mr. BARKLEY. May I ask the Senator this question? The Joint Committee on the Economic Report is not a legislative committee. Bills cannot be referred to it. It may hold investigations and make reports, but it cannot consider bills. Is it the Senator's idea that we are hereby directing the President, when he finds that the voluntary system which has been voted for here on a number of roll calls is not working with respect to any particular commodity in a particular section, having in mind, no doubt, fuel in New England, he shall prepare legislation and submit it to the Congress? Is it a mandatory command that he shall prepare a bill and send it here and that the Joint Committee on the Economic Report shall hold hearings and report to the two Houses, before a bill can be introduced, and referred to the appropriate committee to take action on it? Is that what the Senator has in mind?

Mr. FLANDERS. The wording is not quite what might have been gathered

from my freehand explanation. The wording is:

He shall prepare proposed measures.

That does not necessarily put it in the form of a bill. I think the Senator would be correct in saying that bills cannot be referred to the Joint Committee on the Economic Report.

Mr. BARKLEY. In other words, the Senator makes the President of the United States a member of the legislative drafting service of the Congress, to prepare bills and send them here for our consideration. The amendment would command the President to do what we have been seeking to authorize him to do during the consideration of this joint resolution, namely, that when he finds the voluntary system is a failure, to take such steps as may be necessary to bring about a compulsory regulation or order which will do the very thing the Senator has in mind. But the Senator proposes a long delay by requiring that when the President finds a failure of the voluntary system he shall prepare legislation and send it here and it shall then be referred to the Joint Committee on the Economic Report, which committee shall hold hearings. By the time winter is over and there is no longer any need for the relief which the Senator no doubt has in mind, Congress might get around to giving the President authority to impose regulations.

Mr. FLANDERS. I will say to the distinguished Senator from Kentucky that the intention of this amendment to the joint resolution is to speed action and not to delay action. From my slight experience in this body I am assured that the winter of discontent, or two winters of discontent, may easily pass by on any proposals of the President, and that the short interim of 2 weeks before hearings is a desirable improvement on what may otherwise happen to any recommendations of the President.

Mr. BARKLEY. I may say to the Senator, with the greatest respect and admiration, because I entertain for him the highest personal admiration and respect, that he could have accomplished the purpose he now has in mind more rapidly and certainly by voting for the amendment I offered earlier today.

Mr. BALDWIN. Mr. President, I rise to support the amendment which has been offered by the Senator from Vermont [Mr. FLANDERS], and I join with him in offering it. It seems to me that what we have already voted for provides a method of working out voluntary allocations. But if voluntary allocations fail, then there will be no available method other than to have the President send to Congress a general recommendation, such as was contained in his message at the beginning of this session. The purpose of this measure, Mr. President, is to carry out and put into legislative form the spirit which the President himself expressed in his message to the Congress at the beginning of this session. He spoke of rationing and price ceilings, and then he said:

This does not mean that price ceilings should be imposed on all items within the classes I have mentioned.



To wit, food and fuel and clothing and housing—

For example, price ceilings would not be necessary for staple food and clothing items not in short supply or for any delicacies or luxuries. The same principle of selective treatment would apply to industrial items. This selective treatment of a relatively few danger spots is very different from over-all wartime price controls.

Mr. President, the amendment proposed by the distinguished Senator from Kentucky was a proposal for over-all wartime price controls. It ran the gamut of the whole field of the American economy.

The distinguished Senator from Vermont and myself are trying to take the President at his own suggestion and provide the legislative machinery necessary to enable him to do what he said in that message he thought was a desirable thing to do, to wit, impose rationing and price controls on selected items.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BALDWIN. I yield.

Mr. BARKLEY. I do not wish the Senator from Connecticut inadvertently to make a misstatement, and I am sure he would not intentionally do so. None of the amendments I offered carried provision for any price controls or any authority to fix prices. They did carry authority for the President to impose allocations of materials and priorities in the supplying of materials, but nowhere was there any implication that the President was given authority to fix prices.

Mr. BALDWIN. Let me say in response to the Senator's statement that I was somewhat at a loss when the distinguished Senator from Kentucky and the distinguished Senator from Wyoming [Mr. O'MAHONEY] apparently were in disagreement on that very point; and as I read the RECORD, that disagreement, in my humble judgment, has not been resolved, at least not to my satisfaction. I remember that the distinguished Senator from Kentucky did say that this did not permit the interposition of price controls, and I remember that the distinguished Senator from Wyoming differed with him.

Mr. BARKLEY. No, Mr. President; the Senator from Connecticut is mistaken.

Mr. BALDWIN. As a matter of fact, Mr. President, when we get right down to this matter I hold the opinion that in this country some food items will be in such short supply that we must do something further. I am afraid that the matter passes the point of voluntary controls. However, until that time comes I think we should give this voluntary method a fair trial; and in the meantime we should begin to prepare legislation for rationing and possibly for price control. That is our purpose here.

Mr. BARKLEY. Mr. President, if my good friend will allow me, I should like to set him straight again. There was no disagreement between the Senator from Wyoming [Mr. O'MAHONEY] and me in regard to the question of price fixing in connection with the amendments I offered. During my attempt to explain one of the amendments, the Senator from Massachusetts [Mr. LODGE] asked me whether I interpreted the

amendment as meaning that the President would be allowed to ration goods. I replied by stating that the word "allocation" might be interpreted as "rationing," but that nowhere in the amendment was there any authority to fix prices.

Later on, the Senator from Wyoming, in his own time stated that he agreed with me in regard to the question of price-fixing, but that in his judgment the amendment might allow the rationing of commodities, which was another way of defining the word "allocation."

I stand by that, and there is no fundamental difference between the Senator from Wyoming and me on either of these two propositions.

Mr. BALDWIN. Mr. President, I dislike to find myself at variance with the distinguished Senator from Kentucky, except on very fundamental issues of party policy.

Mr. BARKLEY. Of course, Mr. President, I did not know that yesterday the colloquy between the Senator from Massachusetts and myself or the colloquy between the Senator from Wyoming and myself involved any fundamental question of party policy. I thought it was a matter of interpretation of an amendment which I had offered, and which I did not consider to have any political flavor to it.

Mr. BALDWIN. Mr. President, in the RECORD I find the remarks made yesterday by the distinguished Senator from Kentucky to be as follows:

Mr. LODGE. Would the Senator say that his amendment would authorize the rationing of meat, for example?

Mr. BARKLEY. I do not think so.

Mr. BARKLEY. Mr. President, if the Senator is to get the real statement, he must read the entire colloquy, in which I stated that the word "allocation" might be interpreted in the sense of rationing, but that it was ordinarily referred to or thought of in a higher bracket than the retail rationing of foods, although it might be so interpreted.

Mr. BALDWIN. Mr. President, I think we are arguing about something that is not of great concern to us here.

Mr. HAWKES. Mr. President, will the Senator from Connecticut yield to me, because I think what we are talking about is of great concern.

Mr. BALDWIN. I yield.

Mr. HAWKES. I think the Senator from Connecticut has confused the remarks of the Senator from Wyoming and the remarks of the Senator from Kentucky with the statement I made yesterday on the floor of the Senate. I said, "Why not call things by their right names?" I said that if anyone in this Chamber thinks we can give the President of the United States the power to ration, control, allocate, and control inventories, and so forth, and that there is no price control in all that, then his experience in the United States of America has been different from mine.

Mr. President, if I am given that power, I say to you and to the Senator from Connecticut, as I said yesterday, I will show you price control.

So I think the Senator from Connecticut it talking about something very im-

portant in his amendment and I am very deeply interested in it, because it does not go to absolute arbitrary price control.

Mr. BALDWIN. Mr. President, pursuing that point further—

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. BALDWIN. I shall yield in a moment.

Mr. O'MAHONEY. The Senator from Connecticut has quoted me incorrectly. I ask him to yield to me now.

The PRESIDENT pro tempore. The Senator from Connecticut has the floor. Does he yield?

Mr. BALDWIN. I do not yield at this time. I wish to say something further before I yield.

Mr. O'MAHONEY. Mr. President, I rise to a point of personal privilege.

Mr. BALDWIN. Mr. President, have I the floor?

The PRESIDENT pro tempore. The Senator from Connecticut has the floor.

Mr. O'MAHONEY. I rise to a point of personal privilege.

The PRESIDENT pro tempore. The Chair must say that the Senator cannot obtain the floor in that fashion. The Senator from Connecticut has the floor.

Mr. BALDWIN. Mr. President, I shall be very glad to yield to the distinguished Senator from Wyoming just as soon as I have read his remarks in yesterday's CONGRESSIONAL RECORD:

Mr. LODGE. Does the Senator from Wyoming feel that the amendment offered by the Senator from Kentucky would authorize the President to put price control into effect?

Mr. O'MAHONEY. I think it would not authorize price control; I think it would authorize rationing.

Mr. President, the point I made in the first part of my remarks was that there seemed to be some differences of opinion—and I take them to be honest differences of opinion—as to just how far the power and authority purported to be granted in the amendment offered by the Senator from Kentucky would eventually go. My good friends on the other side of the aisle were apparently in some disagreement and some misunderstanding about it.

Now I am glad to yield to the Senator from Wyoming.

Mr. O'MAHONEY. I thank the Senator. The misunderstanding and the confusion, I may say to the Senator, are altogether on his side of the Chamber, as I shall now demonstrate by reading the RECORD. I read from page 11643, at the top of the first column, the last two sentences of the question propounded to the Senator from Kentucky by the Senator from Massachusetts [Mr. LODGE]. These are the words of the Senator from Massachusetts:

So I ask the Senator—

Meaning the Senator from Kentucky—

simply as a matter of information, whether his amendment actually does not authorize price control. Perhaps we should have it, but we should know what we are doing.

Mr. BARKLEY. I do not think so.

If the Senator will now turn to page 11644, at the bottom of the first column on the page, when the Senator from Massachusetts interrogated the Senator



from Wyoming, he will find that the Senator from Massachusetts asked me:

Is the Senator in favor of rationing meat?

Mr. O'MAHONEY. The Senator is, if conditions arise which make it seem that unless we ration meat the people in the lower-income brackets will be unable to obtain it. Certainly, I know that the time is coming when a substantial portion of the people of Massachusetts will be begging for meat and for milk unless the Congress undertake now to do something about it.

And the Senator from Massachusetts responded:

I heartily agree with the Senator from Wyoming in that respect, and I am myself very strongly inclined to the rationing of meat. That is why I am trying to find out what the amendment means. The Senator from Wyoming says it does mean rationing, and the Senator from Kentucky says it does not.

Whereupon I stated:

I think the Senator from Massachusetts mistakes the statement of the Senator from Kentucky.

Mr. BARKLEY. The Senator from Kentucky did not say that. He said that insofar as allocations may be considered as rationing, it would authorize it. Ordinarily allocation is regarded as on a higher level than is rationing.

I submit to the Senator that the record makes it clear that two matters were discussed—price control and rationing. The Senator from Massachusetts asked the Senator from Kentucky if his amendment provided price control. The Senator from Kentucky said it did not. The Senator from Massachusetts asked me if the amendment provided for rationing. I said it did, and the Senator from Kentucky agreed that it did. Now the Senator from Connecticut is telling the Senate that the Senator from Kentucky was calling for price control in the amendment which he offered yesterday, and that is simply not the fact.

Mr. LODGE. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I yield.

Mr. LODGE. The conflict does not occur on the words "price control." The conflict is on the question of rationing.

Mr. O'MAHONEY. Oh, no; the conflict arises on the matter of price control.

Mr. LODGE. I shall be very brief, and I should like to conclude my statement. The Senator from Wyoming, in response to my question, said the amendment authorized rationing. The Senator from Kentucky [Mr. BARKLEY] said it did not, and I quote these two sentences the Senator from Wyoming omitted:

Mr. LODGE. Would the Senator from Kentucky say that his amendment would authorize the rationing of meat, for example?

Mr. BARKLEY. I do not think so.

Therefore, the statement is correct that the Senator from Wyoming and the Senator from Kentucky are at complete loggerheads on the question of whether the amendment authorized rationing or whether it did not. It is proven in the RECORD incontrovertibly.

Mr. BARKLEY. I am very happy that the Republican majority has at last found an issue which will be no doubt major in the next Presidential campaign, as to whether the Senator from

Wyoming and I agreed on the question of allocations.

Mr. LODGE. This is not a political question. It is a very serious matter in the section of the country where I live. I was not looking at it politically. I was asking questions in order to ascertain whether there was some hope in the amendment for the consuming public.

Mr. O'MAHONEY. Mr. President, will the Senator from Connecticut yield?

Mr. BALDWIN. I said at the beginning of my remarks that I was confused as to what the meaning of the amendment offered by the distinguished Senator from Kentucky was, and I submit that I am still confused, and there seem to be other Senators who share my confusion.

Mr. O'MAHONEY. Will the Senator yield?

Mr. BALDWIN. I yield.

Mr. O'MAHONEY. The confusion arises only from the fact that the Senator from Connecticut said within the last few minutes that the Senator from Kentucky had offered an amendment for price control. He did not say that the Senator from Kentucky had offered an amendment on rationing. His charge was that the amendment of the Senator from Kentucky was one which would restore wartime price controls. That is not the fact, as the reading of the amendment itself will demonstrate, and as the reading of the debate will demonstrate.

It makes no difference that the Senator from Massachusetts [Mr. LODGE] wishes to talk about rationing instead of price control. The fact is that the amendment which was voted down by the Republican majority yesterday, with the assistance of the Senator from Connecticut and the Senator from Vermont, did not provide for over-all price control.

Mr. BALDWIN. Then it did provide for over-all rationing.

Mr. O'MAHONEY. It provided authority for rationing, in my judgment.

Mr. BALDWIN. The amendment which we have now offered makes it possible for the President of the United States to lay specifically before the Congress his request and his recommendations that rationing be applied to a particular commodity, or to a series of commodities, which might be in short supply. It makes it possible for him to state a case and to lay out a program dealing with those commodities. Then it requires a committee of the Congress to hold hearings and take action by way of recommendation to the entire Congress within a period of 2 weeks.

It seems to me that is an efficacious way of dealing with what the President himself in his message said he wanted to deal with, that is, the selective rationing of some items or the selective price control of some items in short supply.

Our purpose in presenting the amendment is to add something to the joint resolution other than voluntary allocations. We believe in voluntary allocations, we believe that Government and business in this country can get together in a fair and square way and work these matters out.

Furthermore, we believe that that is a thing which can be done with the most speed. The President himself said that if we were to undertake a comprehensive system of rationing and price controls it would take months to work out the details. We cannot wait months; we must act now, provide the legislation now, and proceed by the voluntary method, which can be done immediately, as witness what has already been done by a committee of the Congress in dealing with the shortage of oil.

The amendment adds something to the measure which will make it possible for the President to pick out a specific item or a series of items and lay his specific recommendations before the Congress. In my opinion, Mr. President, the amendment adds great strength and effectiveness to the joint resolution and should be agreed to.

Mr. FLANDERS. Mr. President, the senior Senator from Kentucky [Mr. BARKLEY] has called my attention to one particular in which I shall be glad to change the amendment. He referred to the mandatory terms of the amendment, where it states that the President "shall prepare proposed measures." We shall be glad to change that to read "he may prepare proposed measures."

Mr. BARKLEY. Of course, that would improve the language, but it would still only carry out the Constitutional duty of the President with respect to recommending legislation to the Congress. I think the word "may" is preferable to the word "shall."

Now, just one further word. I think it was Hancock who said that the tariff is a local issue. It seems that allocations and compulsory allocations and mandatory regulations of the President also present a local issue, depending on the geographical section which needs them. The amendment which is now offered is in harmony with the whole theory of the amendments I offered yesterday, providing that the President should have the power to impose regulations and restrictions and allocations and priorities in respect to articles generally. The Senators from Connecticut, Vermont, and Massachusetts voted against that general authority, but now they are very enthusiastic not only about giving him the power but requiring him to exercise jurisdiction, as proposed in the legislation which was introduced authorizing him to do the very same thing. I shall not belabor the point. I am anxious that the Senate dispose of the joint resolution one way or the other, and I submit the matter so far as I am concerned with these observations.

I wish only to add one statement which I overlooked, and I should like to have the attention of the Senator from Massachusetts. The word "allocation" in the amendment I offered yesterday was no different in its meaning or its interpretation from the word "allocation" as used in the joint resolution which has been reported by the committee. It is the same kind of allocation and the priorities are the same as contemplated in the so-called voluntary agreements, the difference being that the President could



impose allocations and priorities upon the country or industry if he found it necessary to do so, in the absence of success in the voluntary scheme, so that whatever interpretation can be placed upon the word "allocation" in the bill as it now is would be applicable to the amendment which I offered, with the interpretation—

Mr. TAFT. Mr. President, I merely wish to say that the Senator—

Mr. BARKLEY. I had the tail end of the last sentence, there, that I wanted to add.

Mr. TAFT. Excuse me.

Mr. LODGE. I should like to hear the tail end of the Senator's last sentence.

Mr. BARKLEY. If the joint resolution may now be interpreted as giving the President authority to approve rationing, under the name of "allocation," then it would be possible to interpret the amendment I offered yesterday in the same sense.

Mr. LODGE. Does the Senator think the pending amendment could reach to the rationing of meat and similar scarce necessities of life?

Mr. BARKLEY. I am not so sure that the amendment offered by the Senator from Connecticut refers to meat. I do not have a copy of it, and it has been a little difficult, in my memory of its wording, to know exactly what it means. I do not know whether it has meat in mind, or fuel, but I assume all he is attempting to do is to provide that the President shall recommend legislation that would give him authority to do that.

Mr. TAFT. Mr. President, the Senator from Vermont showed me the amendment some time ago. I have no objection to it. It seems to me to be in accord with the entirely voluntary character of the bill, in this field. As I understand, it simply authorizes the President, if he has some particular matter that he thinks necessitates control, to submit a detailed program regarding that particular control, accompanying it with information as to the amount of money it may cost and the general character of the control, so the Congress may determine whether it will grant the specific control.

I stated before that if such a problem should arise, I think Congress should then consider the granting of compulsory controls; but it ought to be limited to the particular field. It seems to me this carries out the general philosophy which I have heretofore expressed.

Mr. O'MAHONEY. Mr. President, I shall support the amendment of my good friends from Connecticut and Vermont, but I hold the amendment in my hand, and I cannot refrain from making one or two brief and I think kindly comments with respect to it. I read, "Whenever the President shall decide that there is, or threatens to be, a critical shortage." The Senator from Vermont and the Senator from Connecticut have been traveling over the length and breadth of a substantial portion of the country since the recess or adjournment of the first session of the Eightieth Congress, and I judge from the report filed with the joint committee, by the very able and very amiable Senator from Vermont, that his committee

was unanimous in its belief that there is now a critical shortage. The evidence before the Small Business Committee makes it clear that there is a critical shortage of steel and a critical shortage of oil, even fuel oil to heat the homes of New England. It is now here, and the Senator from Connecticut, just a few moments ago said "We cannot afford to wait months, we ought to act now." The opportunity was given to him to act now, just a moment ago, when the motion by the Senator from Kentucky was before the Senate for action.

Mr. BALDWIN. Mr. President, will the Senator yield at that point?

Mr. O'MAHONEY. I am glad to yield.

Mr. BALDWIN. I want to make it perfectly plain that when I said we must act now, I said also that the voluntary method was the one that would get the speediest action, and that methods of rationing and price control on the President's own word would take months to put into effect. That is the point I tried to make. I thank the Senator for this opportunity of stating it again.

Mr. O'MAHONEY. I thank the Senator, but the records before the Senator show that various committees, particularly the Small Business Committee, have been endeavoring to secure some kind of voluntary action, and they have been unsuccessful. The Department of Commerce has been endeavoring to secure voluntary action, but they have not been successful. Let me read, however, the next part of the sentence. I stopped with the words "critical shortage." It continues, "of any raw material, commodity, or product which jeopardizes the health and safety of the people of the United States." For what raw material, what commodity, what product does the author of the amendment ask the President to provide a plan? What raw material, commodity, or product jeopardizes the health or safety of the people? Or does the Senator mean critical shortage? If he means that critical shortages jeopardize the health and safety of the people, let me say to the Senator that critical shortages exist now, the lack of housing because of the lack of steel, the lack of many of the other commodities, are at this moment creating conditions which jeopardize the health and security of the people of the United States. The Senator's amendment merely postpones action that ought to be taken now.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Vermont [Mr. FLANDERS] for himself and the Senator from Connecticut [Mr. BALDWIN].

Mr. MORSE. Mr. President, I wish to make just a comment or two in opposition to the amendment. I think the Senator from Vermont and the Senator from Connecticut have greatly improved the amendment by the substitution of the word "may" for the word "shall", but I do not think they have in any way changed the fact that the real objective of the amendment is to pass the responsibility for legislative proposals for the control of inflation from the Congress where it belongs to the President where it does not belong. This certainly is not

a desirable legislative precedent for the Senate of the United States to set. I venture the suggestion that one will look in vain for very many precedents, if any, that will support this legislative proposal, whereby the Congress of the United States attempts to give instructions to the President of the United States to draft legislation if and when Congress fails to check inflation by so-called voluntary methods. I do not care whether such a suggestion is made to a Democratic President or a Republican President, I still say it is unsound legislative procedure. I think that, after all, we ought to keep distinctly separate the respective functions and duties of the three branches of government.

Mr. TAFT. Will the Senator yield?

Mr. MORSE. I am very glad to yield.

Mr. TAFT. Did I understand the Senator to modify the amendment by substituting the word "may" for the word "shall"?

Mr. FLANDERS. I did.

Mr. TAFT. I agree with the Senator from Oregon that we cannot order the President to do this or that.

Mr. MORSE. I thank the Senator from Ohio. I think the proponents of this amendment have improved the amendment by making the change of "shall" to "may" but I do not think that in fact it really changes the ultimate objective or purpose of the amendment. I want to speak to that objective. First, I want to say that I think we need to be very careful in our legislative proposals that we do not justify the criticism so commonly heard that we are playing partisan politics with inflation. The fact that there is one party in control of the White House and another party in control of the Congress should cause us to be very careful in seeing to it that we in no way jeopardize the separation of powers vested in the three branches of our constitutional Government. The doctrine of separation of powers is fundamental to our system of government by checks and balances. I think, even with the word "shall" changed to the word "may," the amendment has the effect of infringing upon the prerogatives of the President. At least I sense in it an attempt to pass a responsibility for proposing antiinflation legislation to the White House that I think is the primary responsibility of the Congress and not of the White House in the first instance.

The American people at this hour are confronted with a great inflation in prices, which is working tremendous cruelties and hardships upon them. I think they are entitled to look to their elected representatives in the Congress for action in resolving that crisis. They are entitled to legislation with some teeth in it that can be used against the profiteers of the country.

It was not so many minutes ago that I believe I cast the only vote on this side of the aisle for the first amendment offered by the distinguished Senator from Kentucky [Mr. BARKLEY], I certainly offer no apologies for that vote, because I think, Mr. President, that in our system of representative self-government we certainly can trust the elected represent-



atives of the people, including a President of an opposition party, to carry out, within the framework of our form of government, those policies which need to be carried out to protect the people from the ravages of this inflation.

As a Republican I think it is a great mistake, when everyone knows that action, and immediate action, needs to be taken to check this inflation, to spend precious weeks, because that is what it will add up to, in a so-called voluntary approach to the problem, when even before we get through voting on the program here today there is expressed on the floor of the Senate by the proponents of the pending amendment the fear that in all probability the voluntary approach will not work, at least, in some respects. So, they say, in effect, if that time comes, then they want to have some such amendment as the pending one available which will then place the responsibility on the President of the United States at that time to take action. I say, Mr. President, it is the responsibility of the Congress of the United States to take action now, not 90 days from now. It is the responsibility of Congress to act in the interest of all the people and not try to pass the political buck to the President of the United States.

I think that in the matter of the allocation of basic materials, in the matter of placing reasonable limits on the distribution of basic materials in short supply, we, the elected representatives of the people under our system of self-government, ought to assume responsibility by enacting such legislation as will insure immediate action on the part of the Government in checking inflation. I think the proposal of the Senator from Kentucky [Mr. BARKLEY] will come nearer to do that than the proposals of the pending bill and amendment.

Why fool ourselves, Mr. President, as to what is part of the undertow of the controversy which is going on in the Congress of the United States? I may be wrong, and my criticism may be unjust, but I think not. I think there are millions upon millions of American people who are going to agree with me when I say that unfortunately too much of the present debate is characterized by principles of political strategy, because of an oncoming Presidential campaign. The pending bill fails to carry out a clear duty of the Congress to proceed now to take those steps which I think we, as individuals, know we could take to check inflation, if we wanted to get above the level of partisan politics.

I deplore what I believe to be partisan politics in the debate. I deplore the political jockeying which I think has shown itself on this floor. Jockeying to see whether or not the Republicans are going to be left with the ball of responsibility for doing nothing effective about checking inflation or the President is going to be left with the ball. I repeat that it is true that there are fears entertained in the minds of the proponents of the amendment that perhaps the voluntary system we are supposed to be putting into law in the present session may

not work. At least I so understand their remarks. We ought to resolve those fears now, Mr. President. We ought to come to grips over whether or not there is any justification for those fears. I think we must agree that there are plenty of grounds for fearing that the pending bill will not check inflation. If that is true then all the pending amendment does is try to take the blame off the shoulders of Congress and place a future responsibility for anti-inflation legislation upon the President. I do not like it.

I do not want to dig up a horse which has been buried earlier this afternoon, but I want to reiterate what I said at an earlier hour this afternoon about setting aside the antitrust laws under so-called voluntary agreements. The great anti-trust policy of our Government, much of which came out of the Republican Party, is now going to be waived or set aside by the action the majority took this afternoon if certain powerful industrial interests of the country see fit to enter into a voluntary agreement to set it aside. Oh, yes, the President must approve of the agreement, but there again we seek to pass the buck to the President. All I can say is that I want to express my deep regrets over the program. I think it represents a great mistake on the part of the Republican Party.

Mr. President, I may feel the pulse of America incorrectly, but wherever I go—and I appear on many platforms in this land—I find that the American people think that we as a Senate ought to put a stop to what I believe characterizes most of the debate on the issue before us, namely, strategic moves for political position. We ought to recognize that the American people are entitled to look to us, their elected representatives, to pass some compulsory legislation which is really going to check inflation, by getting after the price structure, by getting after the profit structure, and by getting after, of course, the wage structure also. Why do we not measure up to what I think is expected of us, and, that is, to pass some legislation which in effect freezes prices, freezes wages, and reduces exorbitant profits. We need legislation which will make it perfectly clear to industry that it cannot continue, in the public interest, to make the type of profits that the figures placed in the RECORD day before yesterday by the Senator from Wyoming [Mr. O'MAHONEY] show that the great business combines of the country are making at the present time.

Does any Senator think we are going to change human nature by the adoption of legislation which says, in effect, by way of a slap on the wrist, to industry, "Now, boys, just stop making such great profits. Now you get busy and lower the prices"; and to labor, "Don't start another round of wage-increase demands." If we really think that such legislation is going to work, or if we really think the American people are going to swallow it, I think we have another thought coming.

Of course, I do not believe the pending amendment advances very far the real job we have to do with regard to control of inflation. I am not going to vote for it, because I think it is but an empty gesture.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KILGORE. I wish to ask the Senator from Oregon a question. First, I wish to say that I agree with him in his theory respecting the subject matter under discussion. Does not the Senator from Oregon think that the proposed voluntary action would represent the second voluntary step which industry has proposed to take? Is it not the recollection of the Senator from Oregon that in the earlier days of the present session of the Congress, when price controls were repealed, the leaders of big industry and other organizations promised to the Congress of the United States and promised the people of the United States a voluntary reduction of prices in a very short time—I think some said within 3 months?

Mr. MORSE. Of course, that is true.

Mr. KILGORE. So the voluntary program now proposed is really the second voluntary step.

Mr. MORSE. I think that is true. I think the CONGRESSIONAL RECORD will show that many of us warned as to what would happen if we followed such a course of action, and I think our warning has proven to be justified by the soaring prices and profits which characterize this inflation. But I may say to my good friend from West Virginia that, although I think we went too far in the releasing of Government controls and checks, on the other hand I think much of the difficulty could have been avoided, and I say this most kindly, if Members on both sides of the aisle could have gotten together in the matter of correcting some of the gross abuses which had developed under price control and other Government controls. The Senator from West Virginia will recall that for months I frequently pleaded on the floor of the Senate that the appropriate Senate committee report out a resolution I had submitted for an investigation of the abuses of OPA. I felt then that, if we could have that resolution brought to the floor and acted upon providing for needed review of OPA orders by local judicial review boards, we would be able to check the arbitrary and capricious action which had come to characterize OPA in many of its functionings throughout the country. I felt then that we could avoid what ultimately came to pass. I must say in all kindness that many Senators on the other side of the aisle would not even permit an investigation of OPA in those days.

Senators on the other side of the aisle are not free from blame in preventing action on sound proposals that sought to correct abuses that had crept into the price control program. There was need for checking the abuses which had developed under the price control system of the Government. I think it was the obligation of Senators on both sides of the aisle to clean up that situation, because great injustices were being done to many people in this country in business, as well as to consumers, by arbitrary practices which had developed. Then too, I think we should have taken off controls much more gradually than we



did and we should have permitted of the automatic reimposition of needed controls whenever prices went up unjustifiably.

All I am trying to say this afternoon in these remarks is that I do not think we can solve the problem of inflation by adopting controls which go so far that clearly the arbitrary and capricious actions which developed under the old OPA could be reestablished. I do not think we can solve the problem by washing our hands of the whole thing and saying, "We are going to pass it over to industry and ask industry most respectfully to be good boys about the whole inflation problem." Human nature does not work that way. The only thing that those who are guilty of causing inflation understand is checks by a government which moves to take whatever steps are necessary in the interest of all the people of the country.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CAPEHART. It is not quite clear to me exactly how the Senator would stop the inflation spiral.

Mr. MORSE. I know it is not clear to the Senator, as evidenced by our differences in vote when we did not join on the amendments offered by the Senator from Kentucky. Let me say that in contrast to the program which is being offered on this side, the program offered by the Senator from Kentucky is far superior to ours, in my judgment.

Mr. CAPEHART. Let me ask the Senator a further question. I introduced Senate bill 1873, the Price Moratorium Act of 1947, to freeze prices as of last Saturday night at their high point. This morning the Senate Committee on Banking and Currency, in executive session, voted—I believe unanimously—to hold hearings on the proposed legislation at the earliest possible moment. The committee felt that perhaps it should not report the bill today, in view of the fact that the American people have not been given an opportunity to be heard. Does the Senator feel that the committee took a wise position in saying that the American people should be heard on legislation as far reaching as this?

Mr. MORSE. I hope I am a good enough lawyer not to render a curbstone opinion on a question before I have seen the record. If what the Senator wants to ask me is whether or not I think we ought to proceed without delay to consider the principle of the Senator's proposed legislation, the answer is in the affirmative. I think we shall probably have to go much further than that. Of course, in proceeding we must secure the necessary facts on which to base a judgment as to the merits of his legislation before we vote.

Mr. CAPEHART. Does the Senator feel that I would be justified, in the absence of hearings, in offering this bill as an amendment to the pending measure, in the absence of giving the American people an opportunity to be heard?

Mr. MORSE. If the Senator thinks he has all the data which the Senate would need to vote intelligently on his proposed

amendment, I think he would be justified in offering it.

Mr. CAPEHART. I have admired the able Senator from Oregon from time to time as he has risen on the floor of the Senate to object to the Senate voting without due deliberation. I have noticed that he has objected to taking up many things by unanimous consent. I wonder if he now feels that the Senate should vote upon a measure as controversial as the return to OPA, or the freezing of prices, without holding public hearings.

Mr. MORSE. As I say, I would not want to vote until I thought we had been presented, either by the Senator from Indiana or by a committee, with all the data which we should have in order to make possible an intelligent vote. I assure the Senator that I would not wish to give a curbstone opinion on the merits of the Senator's proposal. I do not vote that way.

Mr. CAPEHART. I think it is unfortunate, and has been unfortunate, that there has not been a bill before one of our standing committees for the past 2 or 3 weeks, so that that committee might have held hearings and taken testimony, which could have been before the Senate this very day for some sort of action. I think it is unfortunate that there has been nothing specific upon which we could act. We have been dealing in generalities.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. I should like to address myself to the point which the Senator from Indiana [Mr. CAPEHART] has just mentioned, to indicate that hearings have been held upon a part of the program submitted by the President, and further to refer to the statement of the Senator from Oregon upon responsibility for legislation.

Several weeks ago there came before a subcommittee of the Committee on the Judiciary a bill to extend title III of the War Powers Act and the Export Control Act, acts which in their nature permit amendments which could carry into effect the allocation and priority points made in the President's message.

We began hearings, and in the course of the hearings heard representatives from agriculture and commerce. We discontinued hearings because the introduction of the measure which we now have under consideration raised a question as to the jurisdiction of our subcommittee.

I have great admiration for the Senator from Oregon, as he knows. I differ with him with regard to the pending measure because I believe that it is the only measure which can be passed during this special session of Congress. I am also convinced from the evidence which was submitted during the hearings to which I have referred that that is the only program which can become effective immediately as a measure against inflation, while we are considering the adoption of compulsory controls.

I wish to go a little further upon the question of responsibility. Personally, I do not believe that this measure goes far enough. From the evidence which we

heard, I hold the present belief that the rationing of meat should be imposed, and also that provision should be established for the rationing of fuel, if critical shortages should develop during the winter.

I do not know the status of the committee upon which I am now serving, but until it is discharged from consideration of this question we propose to resume hearings upon the reconvening of the Congress, to continue hearings, and to make such recommendations to the full committee as we believe are called for by the hearings, in an objective way and without any political bias.

I wanted to make that statement to my great friend, the Senator from Oregon, as an indication that I share with him his belief that it is our responsibility to legislate.

Mr. MORSE. Mr. President, I have almost finished. In reply to the Senator from Kentucky, let me say that I have the utmost respect for his point of view and for the conscientious service which I feel he is performing for the people of Kentucky as a Senator from that State. If I differ with him, if I correctly understand his remarks, it is over the question of responsibility for legislation. I think we have the responsibility of passing legislation, therefore we should propose it. The responsibility is not primarily that of the President.

Mr. BALDWIN. Mr. President, will the Senator yield?

Mr. MORSE. As soon as I finish this thought.

Mr. President, I believe that the primary responsibility today rests on the legislative branch of government to come forward with legislation suitable to meeting the inflation crisis. I do not believe that the pending legislation will do that. I am perfectly willing to let time render a verdict upon my prediction. My present prediction is that if this is the only remedy we offer the country for inflation, inflation will continue to rise higher and higher until the American people, incensed, demand a decidedly different course of action on the part of their Congress.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MORSE. I yield first to the Senator from Connecticut [Mr. BALDWIN].

Mr. BALDWIN. Mr. President, I should like to invite the attention of my distinguished colleague from Oregon to something which appears in section 3 of article II of the Constitution of the United States.

He—

Meaning the President—

shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

What this amendment attempts to do is to implement that broad policy in the Constitution of the United States. We are dealing with a wide range of articles, and with a vast field of economic activity.

The President, in his message at the opening of this special session, said he recommended some legislation with reference to price ceilings and rationing—



or at least price ceilings. He also said that he thought this should be done on a selective basis, and pointed out that not all items needed to be rationed. What we are doing here is to set up a form of procedure which the President, with all the administrative departments of the Government at his command, can follow in order to lay before the Congress his specific recommendations as to what legislation should be passed, how it should be passed, and how much money the measures will cost. That is what is being provided for. All of the administrative branches of the Government are under the executive department. They are under the President. They are his agencies. They are not the agencies of the Congress. All we do is to provide appropriations and lay down broad general policies. But in specific matters it is up to the President of the United States to say in what form, and how, when, and where he wants to deal with a particular question. This proposed legislation is designed to accomplish exactly that. It is designed to accomplish it in an expeditious manner. That is my answer to my distinguished colleague from Oregon to the proposition which he has advanced. So far as its being an empty gesture is concerned, or so far as its being a political maneuver is concerned, I do not yield to any Member of the Senate for the efforts made to combat inflation in the past 7 months. I fought to get through a resolution to have a study of this whole subject made, and I diligently worked, as has the distinguished Senator from Vermont—[Mr. FLANDERS] in order to get the best agreement we could get at the moment. It seems to me now that this is the best we can accomplish as of this time. I think it is worthy of support. I think it marks an improvement to the joint resolution, and I think the joint resolution itself is an effective, forward-looking formula upon which we probably can build in the future. It is a good start in the right direction and is entitled to support.

Mr. MORSE. In reply to the Senator from Connecticut, I wish to say that I think it is an interesting constitutional hook on which he seeks to hang this particular type of legislation. Of course the Constitution of the United States authorizes the President of the United States to submit a message on the state of the Union with such recommendations as he may see fit to make by way of legislation to make effective any recommendations that he wishes Congress to carry out. However it is a complete answer to the Senator from Connecticut to say the section of the Constitution he cites does not need any legislation of implementation. The section of the Constitution which the Senator from Connecticut cites in no way removes the primary responsibility of the Congress of the United States to originate legislation in the first instance to check inflation or to meet any other crisis confronting this Nation. To say that because the Constitution of the United States contains a section which places a duty upon the President of the United States, but very discretionary in its language, to give a message to the Congress on the

state of the Union and make such recommendations as he sees fit, in my judgment is not a proper section of the Constitution under which to come in with such an amendment as the Senator from Connecticut proposes and, in effect, "pass the buck" to the President of the United States to recommend compulsory inflation control some 90 days from now. The amendment in effect seeks to give the President instructions—a legislative program thus turning him into a legislative drafting bureau. That is not my conception of the instructions the Congress of the United States on any occasion ought to give to the President of the United States. I say it is not in harmony with the constitutional doctrine of separation of powers.

As to the second part of the comments made by the Senator from Connecticut, I wish to say that I would not want him to yield to any Member of the Senate in his endeavor to find those means for checking inflation which in his best judgment he thinks are workable. Our difference simply is that I think the amendment he is proposing will have little or no effect on checking inflation in this country. He and I will have to let our difference on that point be decided by time and by the judgment of the American people.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Vermont [Mr. FLANDERS] for himself and the Senator from Connecticut [Mr. BALDWIN].

Mr. FLANDERS, Mr. BALDWIN, and other Senators asked for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. FLANDERS] for himself and the Senator from Connecticut [Mr. BALDWIN].

The amendment was agreed to.

The PRESIDENT pro tempore. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading and was read the third time.

The PRESIDENT pro tempore. The joint resolution having been read the third time, the question is, Shall it pass?

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Connally	Hawkes
Baldwin	Cooper	Hayden
Ball	Cordon	Hickenlooper
Barkley	Donnell	Hill
Bricker	Downey	Hoey
Bridges	Dworshak	Holland
Brooks	Eastland	Ives
Buck	Eaton	Jenner
Bushfield	Ellender	Johnson, Colo.
Butler	Ferguson	Johnston, S. C.
Byrd	Flanders	Kem
Cain	Fulbright	Kilgore
Capehart	Green	Knowland
Capper	Gurney	Langer
Chavez	Hatch	Lodge

McCarran	Murray	Stennis
McCarthy	Myers	Taft
McClellan	O'Connor	Taylor
McFarland	O'Daniel	Thomas, Utah
McGrath	O'Mahoney	Tobey
McKellar	Overton	Tydings
McMahon	Reed	Umstead
Magnuson	Revercomb	Vandenberg
Malone	Robertson, Va.	Watkins
Martin	Robertson, Wyo.	White
Maybank	Russell	Wiley
Millikin	Saltonstall	Williams
Moore	Smith	Wilson
Morse	Sparkman	Young

The PRESIDENT pro tempore. Eighty-seven Senators have answered to their names; a quorum is present.

Mr. BARKLEY. Mr. President, I have desire to delay a vote on this measure, and I think the RECORD will show that I have not attempted to delay the final consideration of it. In the beginning I announced that so far as we could, we would try to improve the joint resolution during its consideration by the Senate; and we have made some serious and diligent efforts to improve it. It has not been improved to the extent which I desire, but that is due to our being in the minority, instead of in the majority.

Originally there were in the joint resolution two provisions which the President requested. One was for the extension of authority over exports, and the other was an extension of the power to allocate transportation facilities. During the consideration of the joint resolution, two other provisions have been added, one of them providing for the inauguration of a food conservation program, which the President wishes, and the other authorizing the Commodity Credit Corporation to promote the production of foods and feeds in non-European foreign countries in order to avoid and prevent shortages in food from which the world is suffering today. So there are in the joint resolution four things in which the President was interested, and which he recommended in his message to the Congress.

The provisions to which I have objected, and to which I still object, are those in section 2 which refer to voluntary agreements and the consequent relaxation of the antitrust laws insofar as those who have entered into such agreements may be concerned. I doubt the wisdom of those provisions. I have very profound fears that they may be used by some sections or some segments of our economy to get in under a tent in order that they may avoid the consequences of violation of the antitrust laws, and I think they will operate to interfere with many prosecutions and institutions of suits on civil and criminal grounds that have already been begun.

But taking the joint resolution as a whole, inadequate as I think it is, feeble as I think is the approach to deal with the problem in a sincere, broad-minded way, as the President recommended, nevertheless I feel that there is more good than bad in the joint resolution, especially in view of the improvements which have been made to it by means of the amendments which have been agreed to; and I am not willing to put myself in the position of voting against it.

I still think it is inadequate; I still think it is a feeble attempt; I have grave doubt as to its workability and wisdom.



But I am willing to take a chance, in an effort to deal with the situation, realizing full well that unless there is a decided change in the economic situation and the trend of our economic life, even before we are back here in January we shall be called upon to deal with this problem in a very different way from that in which we are undertaking to deal with it now in the approach which is made by the pending joint resolution.

All of us would welcome an adjustment of our economic life without legislation. All of us might well wish that all segments and elements of our industrial and business and economic set-up might be willing by any fair and legal means to bring about a reversal of the trend in prices, which have been going up in spiral fashion for the last several months. But we know we must take human nature as it is. We know that today there are in our industrial and economic life elements that are unwilling to do what is the obvious thing to do in the interest of the public economy. But, I repeat, we must take human nature as it is, not as we would like to refashion it; and of course it might be that we would make as many mistakes in refashioning it as those which have been made in its original fashioning.

Therefore, I think we shall soon discover the inadequacy and the utter incompetence of this particular legislation to deal in a comprehensive way with the problem which faces the Congress of the United States. But I am not willing to throw any straw in the way of any effort which may be made. I am not willing to say that because I object to one part of this joint resolution, I am unwilling to vote for the rest of it.

I shall vote for the joint resolution in the hope that it will accomplish some good, in spite of my fears and in spite of the objections which I have to some portions of it. I make this statement, not for the purpose of attempting to influence any other Senator, because I realize that as the joint resolution comes to the point of final vote, every Senator must vote as his own conscience dictates. But for myself, I am taking the view that the good contained in the joint resolution outweighs the bad in it, and that, therefore, I am justified in voting for it.

Mr. O'MAHONEY. Mr. President, in order to exculpate myself for voting for a measure which contains section 2, I desire to say that I associate myself with everything the Senator from Kentucky has said. I wish to add that, in my judgment, it will be utterly impossible to carry out the provisions of section 2, and that the waiver of the antitrust laws in these circumstances is utterly improper. I wish to express the opinion that the President will find it impossible to approve any agreement drawn under the terms of this joint resolution. Although I am convinced of the impracticality of that portion of this measure, nevertheless, I think I am justified in casting my vote for the joint resolution in order that there may be an extension of the powers of the Government to control exports and to allocate transportation facilities.

Mr. BARKLEY. Mr. President, I neglected to say that the Senator from Illi-

nois [Mr. LUCAS], who has been called away from Washington because of the death and funeral of his secretary, has just advised me that he wishes to associate himself with the sentiments I have expressed here in regard to this measure; and for the same reasons which I have given as actuating me in casting my vote, he wishes to be recorded as voting for the joint resolution if he were present and voting.

The PRESIDENT pro tempore. The question is, Shall the joint resolution pass?

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARKLEY (when Mr. LUCAS' name was called). As I announced before the roll call began, I repeat, the Senator from Illinois [Mr. LUCAS], if present, would vote "yea."

The roll call was concluded.

Mr. REED. I have a general pair with the Senator from New York [Mr. WAGNER]. I transfer that pair to the Senator from Maine [Mr. BREWSTER] and vote. I vote "yea."

Mr. WHITE. I announce that the Senator from Minnesota [Mr. THYE] is necessarily absent. The Senator from Minnesota, if present and voting, would vote "yea."

The junior Senator from Maine [Mr. BREWSTER], who is necessarily absent, is paired with the Senator from New York [Mr. WAGNER]. The Senator from Maine, if present and voting, would vote "yea," and the Senator from New York, if present and voting, would vote "nay."

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] is absent by leave of the Senate.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from Oklahoma [Mr. THOMAS] is absent on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from New York [Mr. WAGNER] has a general pair with the Senator from Kansas [Mr. REED]. The transfer of that pair to the Senator from Maine [Mr. BREWSTER] has been previously announced by the Senator from Kansas. If present and voting, the Senator from New York would vote "nay," and the Senator from Maine would vote "yea."

I announce further that if present and voting, the Senator from Florida [Mr. PEPPER] would vote "yea."

The result was announced—yeas 77, nays 10, as follows:

#### YEAS—77

Aiken	Cain	Ferguson
Baldwin	Capehart	Flanders
Ball	Capper	Fulbright
Barkley	Cooper	Green
Bricker	Cordon	Gurney
Bridges	Donnell	Hatch
Brooks	Downey	Hawkes
Buck	Dworshak	Hayden
Bushfield	Eastland	Hickenlooper
Butler	Eaton	Hoey
Byrd	Ellender	Holland

Ives	Malone	Smith
Jenner	Martin	Sparkman
Johnson, Colo.	Maybank	Stennis
Johnston, S. C.	Millikin	Taft
Kem	Moore	Taylor
Kilgore	Myers	Tobey
Knowland	O'Connor	Tydings
Lodge	O'Mahoney	Umstead
McCarran	Overton	Vandenberg
McCarthy	Reed	Watkins
McClellan	Revercomb	White
McFarland	Robertson, Va.	Wiley
McGrath	Robertson, Wyo.	Williams
McKellar	Russell	Young
McMahon	Saltonstall	

#### NAYS—10

Chavez	Magnuson	Thomas, Utah
Connally	Morse	Wilson
Hill	Murray	
Langer	O'Daniel	

#### NOT VOTING—9

Brewster	Pepper	Thye
George	Stewart	Wagner
Lucas	Thomas, Okla.	Wherry

So the joint resolution (S. J. Res. 167) was passed.

Mr. TAFT. Mr. President, I ask that the joint resolution as passed by the Senate be printed, and that it also be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the joint resolution was ordered to be printed, and to be printed in the RECORD, as follows:

*Resolved, etc.—*

#### DECLARATION OF PURPOSES

SECTION 1. The purposes of this joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities and basically affect the cost of living or industrial production.

#### VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

(3) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said act, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the anti-



trust laws of the United States or the Federal Trade Commission Act.

(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (e), the provisions of this act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this act shall expire upon expiration of section 2 of this act, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

(g) As used in this section the term "person" means an individual, corporation, partnership, or association.

#### EXPORT CONTROLS

SEC. 3. (a) Section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out "February 29, 1948" and inserting in lieu thereof "February 28, 1949."

(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark-ups in export prices over domestic prices.

#### ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

SEC. 4. (a) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, shall continue in effect to and including February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of transportation equipment and facilities by rail carriers.

(b) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, is hereby revived and reenacted for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of grain for the production of distilled spirits or neutral spirits for beverage purposes. The authority granted by this subsection shall expire on January 31, 1948.

#### DELEGATION OF AUTHORITY

SEC. 5. The authority granted to the President by section 2 of this joint resolution and, notwithstanding the provisions of section 6 of the Second Decontrol Act of 1947, the authority granted to the President by section 4 of this joint resolution and by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

#### CRITICAL SHORTAGES—RECOMMENDATIONS BY THE PRESIDENT

SEC. 6. (a) Whenever the President shall determine that there is or threatens to be a critical shortage of any raw material, com-

modity, or product which jeopardizes the health or safety of the people of the United States or its national security or welfare and that there is no prospect that such critical shortage may soon be remedied by an increase in the available supply without additional governmental action and that the situation cannot be solved by voluntary agreement under the provisions of this act, he may prepare proposed measures for conserving such raw material, commodity, or product which he shall submit to the Congress in the following form:

(1) A statement of the circumstances which, in the President's judgment, require the proposed conservation measures.

(2) A detailed procedure for the administration of the proposed measures including the additional budget and additional personnel required for their enforcement.

(3) The proposed degree of curtailment in current and prospective use of each such raw material, commodity, or product by each processor and/or user thereof, including the specific formulas proposed for such curtailment with respect to each class or classes of processors or users and the criteria used in the establishment of such formulae.

(4) A complete record of the factual evidence upon which his recommendations are based, including all information provided by any agency of the Federal Government which may have been made available to him in the course of his consideration of the matter.

(b) Within 15 days after the submission of such proposed conservation measures, the Joint Committee on the Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

#### PRODUCTION OF FOODS IN NON-EUROPEAN FOREIGN COUNTRIES

SEC. 7. Notwithstanding any other provision of law, in order to alleviate and prevent shortages in foods, agricultural commodities, and products thereof, Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guarantees, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: *Provided*, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within 60 days thereafter.

#### FOOD AND FEED CONSERVATION PROGRAM

SEC. 8. (a) In order to alleviate shortages in foods and feeds, and to assist in stabilizing prices, the President shall carry out a program for the conservation of food and feed. In carrying out such program, the President is authorized, through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other voluntary and cooperative measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices. The authority herein conferred may be exercised by the President through such departments, agencies, independent establishments, and officials of the Federal Govern-

ment and such State, local, and private agencies as he may determine.

(b) There is hereby authorized to be appropriated to the President such sums as may be necessary to carry out this section. To enable the President to carry out this section for the remainder of the fiscal year ending June 30, 1948, there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. Funds made available for the purpose of this section may be used for necessary administrative expenses, including personal services in the District of Columbia and elsewhere, purchase or hire of motor vehicles, temporary or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, without regard to the civil service and classification laws (the compensation of any such individual not to exceed \$50 per day). Funds made available for the purposes of this section may be allotted for any of the purposes of this section to any department, agency, or independent establishment of the Government, or transferred to any other agency requested to assist in carrying out this section. Funds allotted to any department, agency, or independent establishment of the Government shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3769 and 3648 of the Revised Statutes, as amended (U. S. C., title 41, sec. 5, and title 31, sec. 529).

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 9. There is hereby authorized to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of this joint resolution.

Mr. MAGNUSON. Mr. President, as bearing on the joint resolution just passed, two excellent editorials appeared in the Washington Post recently, one on December 15 entitled "Republican Way," the other on December 12 entitled "Administration Plan." In my opinion these editorials concretely and succinctly analyze the issues we have been discussing in the Senate today, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of December 15, 1947]

#### REPUBLICAN WAY

The outstanding feature of the Wolcott bill, which goes before the House today with the blessings of the Republicans, is its emphasis on voluntary agreements by private industry for the allocation and inventory control of scarce commodities. Although the Wolcott bill provides that such agreements shall be subject to approval by the President, Senator O'Mahoney points out that, unlike the Harriman bill, it does not give the Government the power to limit the scope of agreements and set standards for the guidance of industry. The President will, so to speak, be put on the spot if Congress relies on the purely voluntary system of agreements contemplated by the Republicans. For if he should reject an agreement that he considered too restrictive or otherwise unfair, there would be nothing to put in its place, since the Government would be powerless to act.

While we think it highly desirable to give voluntary methods a preliminary trial, the chances that they will succeed will be poor,



unless the administration is armed with weapons of coercion that can be used if or when needed. In the national interest it may become necessary to impose restraints on free enterprise to which private industry will not voluntarily submit. There will almost certainly be nonconformist individuals or groups that will not agree, except under the threat of coercion, to even the most reasonable plans for husbanding our resources and checking price advances. Furthermore, voluntary agreements of the restricted kind contemplated under the Republican plan would not afford protection against increases in the prices of essential materials or wage increases that would inevitably result in higher prices of finished products.

Yet, apart from the provision for voluntary agreements and noncontroversial proposals to allocate transportation facilities and export controls, the Republican program offers nothing except a recommendation for curbing credit expansion by increasing reserves held by the Federal Reserve banks against note issues and deposits. This proposal would have little, if any, immediate effect in restraining over-all credit expansion, although Representative Wolcott believes that it would have "a very strong psychological effect." He says that it should be taken as a sign that Congress disapproves of the easy-money policy of the administration. Since the administration is committed to that policy and shows no signs of retreating, we doubt whether this method of expressing disapproval will yield results. Moreover, from a long-range viewpoint, tightened reserve requirements are open to serious objection. For the Federal Reserve System needs leeway in carrying out its operations, and its usefulness might be seriously impaired in the future, as has been the case in the past, by a high level of reserve requirements.

That many Republicans are dissatisfied with the program of the House Banking Committee is indicated by demands of some Senate Republicans for its expansion. Significant also is the declaration of the Republican Policy Committee that it will consider at the regular session phases of the general antiinflation program that it has not been possible to study at the extra session. Meantime the Republicans are relying on the inadequate Wolcott bill to eliminate industrial waste and hold back inflationary tides. For the reasons given we do not believe the kind of voluntary program contemplated by the bill will succeed unless the Government is equipped with the reserve powers of control requested by the President.

[From the Washington Post of December 12, 1947]

#### ADMINISTRATION PLAN

In answer to repeated demands for a concrete legislative program, Secretary Harriman has submitted a bill to a Senate Judiciary Subcommittee embodying some of the President's anti-inflation recommendations. Provision for direct control of prices and wages, as recommended by the President, is not included. In fact, administration spokesmen have been noticeably reluctant to discuss such proposals. In spite of their conspicuous lack of enthusiasm for this aspect of the President's program, Mr. Truman announced yesterday that he would send specific wage and price control legislation to Congress within the next few days.

In our opinion, the broad allocation and rationing powers requested under the draft bill are essential to protect the country from economic dislocation and inflation. The grant of such powers would not, according to Mr. Harriman, imply "anything approaching a comprehensive system of controls over materials, products, and productive facilities." The bill calls for a selective-control

program authorizing direct consumer rationing of specified scarce foods and fuels and a few other articles. More restricted powers of control would be applied to materials, such as iron and steel, in the form of priority orders, inventory controls and set-asides to insure fulfillment of essential contracts and satisfy the most important foreign and domestic needs. Provision is also made for an extension of export controls, with the power to refuse export licenses for too highly priced goods.

With the removal of legal obstacles to agreements among producers, as contemplated in the bill, Secretary Harriman believes that a great deal could be accomplished by voluntary cooperation of industries to channel scarce materials into most essential uses. Provided the Government is given allocation powers so as to discipline nonconformists in case of need, Mr. Harriman's confidence in the efficacy of the so-called voluntary approach is probably justified. But a check is necessary, for without it we doubt the success of purely voluntary agreements among competing industrial concerns.

If the Government were given power to ration scarce foods and fuels, it might be possible to put a brake on price increases without resort to direct price controls, since rationing would reduce the competitive scramble for limited supplies. Nevertheless, a rationing system affords no guarantee against excessively high prices for the rationed commodity in the absence of price controls. We believe, therefore, that the Government should also have authority to impose price ceilings selectively on essential commodities in short supply, the prices of which have reached, or threaten to reach levels that cannot be justified by any criterion of reasonableness. For similar reasons it should be empowered to put ceilings on wages in industries subject to selective price control.

Congress will, no doubt, refuse to give the administration the necessary authority that it seeks to curb inflation. If living costs soar to still dizzier heights as a result, it may attempt to repair the damage only when it is too late to avert disaster. For, as the President said in his address to Congress outlining his anti-inflation plans: "The only prudent course is to establish the authority (requested) at this time so the necessary preparations can be started. If we fail to prepare and disaster results from our unpreparedness, we shall have gambled with our national safety—and lost."

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1770) to amend the National Housing Act, as amended, and it was signed by the President pro tempore.

#### AUTHORIZATION FOR REPORT OF THIRD SUPPLEMENTAL APPROPRIATION BILL

Mr. BRIDGES. Mr. President, I ask unanimous consent that during the recess following today's session I be authorized to report from the Committee on Appropriations House bill 4748, the third supplemental appropriation bill for 1948.

Mr. McKELLAR. Mr. President, I did not hear the statement of the Senator.

Mr. BRIDGES. I am asking unanimous consent to report the third supplemental appropriation bill sometime between now and midnight tonight, so that the Senate may act upon it tomorrow. The committee will go into session as soon as possible after 5 o'clock today, and

perhaps work through to midnight in order to get action on the bill.

Mr. MAGNUSON. Does the Senator refer to the third supplemental appropriation bill which the committee is now considering?

Mr. BRIDGES. Yes.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

#### NOMINATION OF MAJ. GEN. LESLIE RICHARD GROVES

Mr. GURNEY. Mr. President, one nomination came to the Senate after the general request was made that certain nominations might be held in the Committee on Armed Services. I refer to the nomination of Maj. Gen. Leslie Richard Groves. I ask unanimous consent, as in executive session, that paragraph 6 of rule XXXVIII of the Senate be suspended in order that the committee may hold the nomination in committee.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the order is made.

#### PUBLICATION OF NAMES AND ADDRESSES OF PERSONS TRANSACTING BUSINESS ON BOARDS OF TRADE

Mr. FERGUSON. Mr. President, I am about to ask unanimous consent that the Senate proceed to the consideration of a joint resolution to amend section 8 of the Commodity Exchange Act, as amended, by adding at the end of that section the following new provision:

Notwithstanding the foregoing provisions of this section or of any other law, the Secretary of Agriculture shall, when requested by any committee of the Congress acting within the scope of its jurisdiction, furnish to such committee and upon delivery to the committee make public the names and addresses of all traders on the boards of trade with respect to whom the Secretary has information, and any other information in the possession of the Department of Agriculture relating to the amounts of commodities purchased or sold by each such trader.

I shall now state my reasons for bringing this matter up at this time, and asking for the consideration of the joint resolution.

Mr. President, yesterday the Senate Appropriations Committee, by vote, authorized the chairman of the committee to issue a subpoena to the Secretary of Agriculture requiring him to produce certain evidence before the committee at a session called for 9:30 o'clock today. At the appointed time the Secretary of Agriculture appeared before the committee, and, while he made a statement that in his opinion it was not advisable to tell the names and addresses of certain traders and others, which information was in his possession, he would tell those names and addresses to the committee in open session. Finally, after considerable discussion, and after taking the sworn testimony of Mr. Anderson, there was a vote in the committee. This is the motion that was voted upon:

Senator O'MAHONEY offered a substitute amendment stating that this committee formally recommends immediately to the United States Senate passage of a joint resolution which would remove any legalistic doubt as to the production of the matter



credit for a temporary period; to the Committee on Banking and Currency.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1770. An act to amend the National Housing Act, as amended.

#### ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, December 19, 1947, at 10 a. m.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1155. A letter from the Secretary of Labor, transmitting a report for the fiscal year ended June 30, 1947; to the Committee on the Judiciary.

1156. A letter from the Under Secretary of the Interior, transmitting pursuant to section 16 of the Organic Act of the Virgin Islands of the United States, approved June 22, 1936, one copy each of various legislation passed by the Municipal Council of St. Thomas and St. John and the Municipal Council of St. Croix; to the Committee on Public Lands.

1157. A letter from the Secretary of the Treasury, transmitting reports from various departments and independent establishments relative to moneys received during the fiscal year ended June 30, 1947, which were not paid into the general fund of the United States Treasury, and payments, if any, which were made from such moneys; to the Committee on Expenditures in the Executive Departments.

1158. A letter from the Postmaster General, transmitting a draft of a proposed bill to authorize the construction of an addition to the building of the mail equipment shops at Washington, D. C., and for other purposes; to the Committee on Public Works.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LECOMPTE: Committee on House Administration. House Resolution 390. Resolution for the relief of Lucy Rhind; without amendment (Rept. No. 1222). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 398. Resolution providing for the payment of 6 months' salary and \$250 funeral expenses to the estate of James H. Neale, late an employee of the House; without amendment (Rept. No. 1223). Referred to the House Calendar.

Mr. LECOMPTE: Committee on House Administration. House Resolution 399. Resolution providing for the payment to Genevieve Malone, as guardian to George V. Malone, Jr., son of George V. Malone, late employee of the House, 6 months' salary and an additional sum of \$250 toward defraying his funeral expenses; without amendment (Rept. No. 1224). Referred to the House Calendar.

Mr. VORYS: Committee on Foreign Affairs. House Resolution 365. Resolution providing for an inquiry on dismantling and removal of plants from Germany; with an

amendment (Rept. No. 1225). Referred to the House Calendar.

Mr. HOPE: Committee on Agriculture. House Joint Resolution 275. Joint resolution to authorize the Regional Agricultural Credit Corporation of Washington, D. C., to make loans to fur farmers, and for other purposes; without amendment (Rept. No. 1228). Referred to the Committee of the Whole House on the State of the Union.

Mr. PLOESER: Select Committee on Small Business. House Report No. 1229. Annual Report No. 1, reporting activities of the Select Committee on Small Business pursuant to House Resolution 18. Ordered to be printed.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 412. Resolution for consideration of Senate Joint Resolution 167, joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes; without amendment (Rept. No. 1230). Referred to the House Calendar.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. H. R. 1912. A bill for the relief of John A. Dilboy; without amendment (Rept. No. 1226). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2557. A bill for the relief of Mable Gladys Vidulich; without amendment (Rept. No. 1227). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 4789. A bill to encourage enterprise capital investment in production facilities, private research laboratories, rental homes; and other long-term assets; to the Committee on Ways and Means.

By Mr. KNUTSON:

H. R. 4790. A bill to reduce individual income-tax payments, and for other purposes; to the Committee on Ways and Means.

By Mr. KERSTEN of Wisconsin:

H. R. 4791. A bill to provide free postage for gift packages of food and clothing mailed to certain foreign countries; to the Committee on Post Office and Civil Service.

By Mr. MARTIN of Iowa:

H. R. 4792. A bill to amend section 22 (b) (5) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. McMILLAN of South Carolina:

H. R. 4793. A bill to amend the Railroad Retirement Act of 1937 so as to increase retirement annuities and to permit employees to be eligible for annuities after 30 years of service regardless of their age; to the Committee on Interstate and Foreign Commerce.

H. R. 4794. A bill to grant service pensions to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. SHEPPARD:

H. R. 4795. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. WEICHEL:

H. R. 4796. A bill to authorize the Coast Guard to establish, maintain, and operate aids to navigation; to the Committee on Merchant Marine and Fisheries.

By Mr. FOLGER:

H. R. 4797. A bill to amend section 7 of the act of October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes"; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 4798. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. KEFAUVER:

H. R. 4799. A bill to amend the Second Decontrol Act of 1947; to the Committee on the Judiciary.

By Mr. REEVES:

H. R. 4800. A bill amending the Federal Unemployment Tax Act so as to allow a 100-percent credit for contributions to State unemployment funds; to the Committee on Ways and Means.

By Mr. ROSS:

H. R. 4801. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, to provide homes for veterans, through veterans' homestead associations, and the public facilities essential therefor; to the Committee on Veterans' Affairs.

H. R. 4802. A bill to provide additional compensation for postmasters and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mrs. ST. GEORGE:

H. R. 4803. A bill to provide clerical allowances at certain post offices of the fourth class; to the Committee on Post Office and Civil Service.

By Mr. WEICHEL:

H. R. 4804. A bill to allow service credit for certain enlisted men of the Coast Guard who acted as policemen and guards at the Ivigtut cryolite mine, Greenland, during 1940 and 1941; to the Committee on Merchant Marine and Fisheries.

By Mr. ALBERT:

H. R. 4805. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. KING:

H. R. 4806. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

H. R. 4807. A bill to provide additional compensation for postmasters and employees of the postal service; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 4808. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mr. MACKINNON:

H. R. 4809. A bill to amend the act of February 10, 1920, in order to provide for the free distribution to veterans' organizations of blank ammunition for use in connection with the funeral ceremonies of deceased veterans; to the Committee on Armed Services.

By Mr. RAMEY:

H. R. 4810. A bill to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia; to the Committee on Post Office and Civil Service.

By Mrs. ROGERS of Massachusetts:

H. R. 4811. A bill to provide for an administrator's advisory group in the Veterans' Administration to insure review by the Administrator of certain decisions of the Board of Veterans' Appeals; to the Committee on Veterans' Affairs.

By Mr. WEICHEL:

H. R. 4812. A bill to give war veterans preference on surplus platted lands, one-family



and two-family dwellings, ahead of non-using Government agencies; to the Committee on Expenditures in the Executive Departments.

By Mr. REES:

H. J. Res. 284. Joint resolution to prohibit for 1 year the use of grains for the manufacture of intoxicating liquor and for other non-essential purposes; to the Committee on Agriculture.

By Mr. CASE of New Jersey:

H. Con. Res. 125. Concurrent resolution urging the creation of collective security arrangements in furtherance of the European recovery program and the participation of the United States therein; to the Committee on Foreign Affairs.

By Mr. CASE of South Dakota:

H. Con. Res. 126. Concurrent resolution to provide for the use of surplus eggs and poultry in foreign relief programs; to the Committee on Foreign Affairs.

By Mr. HUGH D. SCOTT, JR.:

H. Res. 408. Resolution to express the sense of the House that the United States should repatriate Hebrew displaced persons in the American zones of occupation by providing for their transportation to Palestine; to the Committee on Foreign Affairs.

By Mr. SOMERS:

H. Res. 409. Resolution to express the sense of the House that the United States should repatriate Hebrew displaced persons in the American zones of occupation by providing for their transportation to Palestine; to the Committee on Foreign Affairs.

By Mr. SUNDSTROM:

H. Res. 410. Resolution for the relief of Louise M. Clarkson; to the Committee on House Administration.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOMENGEAUX:

H. R. 4813. A bill for the relief of Mrs. Elizabeth C. Grillet; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 4814. A bill for the relief of Walter E. Johns; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:  
H. R. 4815. A bill for the relief of Mary Alice Keels; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

980. By Mr. BRADLEY: Petition of 42 residents of the Eighteenth Congressional District of California, urging that legislation establishing a system of universal military training for American young men be enacted; to the Committee on Armed Services.

981. Also, petition of 84 residents of the State of California, urging that legislation establishing a system of universal military training for American young men be enacted; to the Committee on Armed Services.

982. By Mr. BUCK: Petition of 47 residents of Staten Island, N. Y., submitted by the Women's Auxiliary of American Legion, Cotty-Capone-Amodeo Post, No. 1599, urging the enactment of a system of universal military training as recommended by the President's Advisory Commission on Military Training; to the Committee on Armed Services.

983. By Mr. CASE of South Dakota: Petition of Frank Vermillion, Kenel, S. Dak., and 34 others, urging enactment of legislation to establish a system of universal military training for American young men; to the Committee on Armed Services.

984. Also, petition of Mrs. A. L. Stueiland, secretary, Bloom Prairie Ladies Aid, Toronto, S. Dak., and 29 others, urging enactment of legislation which would prohibit advertising liquor in interstate commerce and over the radio; to the Committee on Interstate and Foreign Commerce.

985. Also, petition of Mrs. I. C. Knutson and seven others, of Bison, S. Dak., urging enactment of legislation to prohibit advertising liquor in interstate commerce and over the radio; to the Committee on Interstate and Foreign Commerce.

986. Also, petition of Mrs. Frank McFarland, of Ellingson, S. Dak., and 16 others, urging enactment of legislation to prohibit the advertising of liquor in interstate com-

merce and over the radio; to the Committee on Interstate and Foreign Commerce.

987. Also, petition of Irving Cressman, commander of American Legion, Post No. 220, Herrick, S. Dak., and 23 others, urging enactment of legislation to establish a system of universal military training for American young men; to the Committee on Armed Services.

988. By Mr. GRAHAM: Petition of 27 residents of New Castle, Lawrence County, Pa., in support of legislation establishing a system of universal military training; to the Committee on Armed Services.

989. By Mr. LeCOMPTE: Petition of sundry citizens of Centerville, Iowa, urging the establishment of a system of universal military training; to the Committee on Armed Services.

990. Also, petition of sundry citizens of Humeston, Iowa, urging the establishment of a system of universal military training; to the Committee on Armed Services.

991. Also, petition of sundry citizens of Grinnell, Iowa, urging the establishment of a system of universal military training; to the Committee on Armed Services.

992. By Mr. SMITH of Wisconsin: Petition by the members of Fred Semran Post, No. 361, Wilmot, Wis., urging passage of universal military training legislation; to the Committee on Armed Services.

993. By the SPEAKER: Petition of the business and professional division of the Passaic section of the National Council of Jewish Women, petitioning consideration of their resolution requesting that recommendations of the President's Committee on Civil Rights be immediately translated into law; to the Committee on the Judiciary.

994. Also, petition of the Maine Hospital Association, petitioning consideration of their resolution with reference to inclusion of hospital employees in the coverage of social-security benefits, and that the exemption of nonprofit hospitals should, therefore, be removed for old-age benefits only; to the Committee on Ways and Means.

995. Also, petition of the executive committee of the Maine State Bar Association, petitioning consideration of their resolution with reference to a bill to equalize Federal taxes in view of the community-property system and inequalities caused thereby; to the Committee on Ways and Means.



The SPEAKER. The time of the gentleman from West Virginia [Mr. HEDRICK] has expired.

#### EXTENSION OF REMARKS

Mr. KLEIN asked and was granted permission to extend his remarks in the RECORD and include a letter from Eliza Yale Smith, who was historian of the Bill of Rights Commemoration Society.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

#### CONFERENCE REPORT

Mr. SMITH of Ohio. Mr. Speaker, I want to make clear to the House my reason for objecting to the unanimous-consent request made by the majority leader, Mr. HALLECK, for permission to consider any conference reports, notwithstanding the rules of the House. Had that request been granted, the so-called anti-inflation bill, if acted upon by both Houses, and in the event of disagreement, could have been included in the request which was made. I am perfectly willing that the deficiency appropriation conference report and all other conference reports, except that relating to the anti-inflation bill, should be considered at any time in the House.

The SPEAKER. The time of the gentleman from Ohio [Mr. SMITH] has expired.

#### RELIEF OF LUCY RHIND

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 390, for the relief of Lucy Rhind, a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to Lucy Rhind, sister of Bessie Harrison, late an employee of the House, an amount equal to 6 months' salary at the rate she was receiving at the time of her death, and an additional amount not to exceed \$250 toward defraying the funeral expenses of the said Bessie Harrison.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JAMES H. NEALE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 398, providing for the payment of 6 months' salary and \$250 funeral expenses to the estate of James H. Neale, late an employee of the House, a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to the estate of James H. Neale, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount

not to exceed \$250 toward defraying the funeral expenses of the said James H. Neale.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### GENEVIEVE MALONE

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 399, for the relief of Genevieve Malone, as guardian to George V. Malone, Jr., son of George V. Malone, late an employee of the House, a privileged resolution, and ask for its immediate consideration.

The Clerk read as follows:

*Resolved*, That there shall be paid out of the contingent fund of the House to Genevieve Malone, as guardian to George V. Malone, Jr., son of George V. Malone, late an employee of the House, an amount equal to 6 months' salary at the rate he was receiving at the time of his death, and an additional amount not to exceed \$250 toward defraying the funeral expenses of the said George V. Malone.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### DISMANTLEMENT AND REMOVAL OF PLANTS FROM GERMANY

Mr. VORYS. Mr. Speaker, by direction of the Committee on Foreign Affairs, I call up House Resolution 365, providing for an inquiry on dismantling and removal of plants from Germany, and ask for the immediate consideration of the resolution and the committee report approving the resolution with amendments.

The Clerk read the resolution, as follows:

*Resolved*, That the Secretary of State and the Secretary of Defense are requested to transmit to the House of Representatives at the earliest practical moment the following information, namely:

1. How many of the 682 plants in Germany recently announced as surplus and available for reparations have actually been dismantled and removed from Germany? How many from the United States zone? How many from the British zone? How many from the Russian zone? How many from the French zone?

2. What was the character and capacity of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall plan?

3. What is the character and capacity of those remaining to be dismantled or removed by zones?

4. How many of these remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers? Is fertilizer important to the contemplated level of recovery for Germany?

5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

7. How much material and goods and how much cost in dollars will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

8. Specifically, as an illustration, will removal of the Diehl Plant No. 3 at Rothenbach leave a deficiency of aluminum and copper goods to be supplied by import at expense to the United States? Similarly, what of the Krupp pneumatic equipment plant at Geisenheim, also the 13 machine-tool plants at sundry places? Will their normal production have to be supplied by the United States if the desired recovery of Germany to a peaceful and stable level is accomplished.

9. Are any plants listed for dismantling and removal that are the property of American citizens?

10. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta Agreement? If so, by whom, from what zone, and to whom have they been allocated?

11. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom and in what amounts?

12. To what extent have harbor facilities and transportation equipment been removed from Germany, and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

With the following committee amendment:

Page 1, line 1, after the word "*Resolved*," insert the following:

"That the Secretary of State and the Secretary of Defense are requested to transmit to the House of Representatives at the earliest practical moment the following information, namely:

"1. How many of the 682 plants in Germany recently announced as surplus and available for reparations have actually been dismantled and removed from Germany? How many from the British zone? How many from the Russian zone? How many from the French zone?

"2. What was the character and capacity of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall plan?

"3. What is the character and capacity of those remaining to be dismantled or removed by zones?

"4. How many of these remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers?

"5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

"6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

"7. How much material and goods and how much cost in dollars will be required to be



sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

"8. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta agreement? If so, by whom, from what zone, and to whom have they been allocated?

"9. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom, and in what amounts?

"10. To what extent have harbor facilities and transportation equipment been removed from Germany and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

"11. Why has the Government of the United States not taken appropriate steps to delay temporarily the further dismantling of plants in western Germany so as to permit further study by the appropriate committees of Congress in order to determine whether such transfers are prejudicial to any general recovery program for western Europe?"

Mr. VORYS. Mr. Speaker, I ask unanimous consent that the committee report, which is available here at the table, be placed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(The committee report referred to follows:)

The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 365) providing for an inquiry on dismantling and removal of plants from Germany, having considered the same, report favorably thereon with amendments and recommend that the resolution as amended do pass.

The amendments are as follows:

1. Insert a preamble, as follows:

"Whereas the western zones of occupied Germany now constitute a deficit economy requiring large appropriations by the United States, and also constitute an integral part of the European economy which is to be considered by the Congress in connection with any general program of European economic recovery; and

"Whereas conditions have changed substantially since the Inter-Allied Reparations Agreement of December 1945, under which the dismantling program is being conducted; and

"Whereas the failure by the London Conference of Foreign Ministers to reach agreement may require a reexamination of the German question; and

"Whereas the Department of State has secured information for the Committee on Foreign Affairs on many of the questions involved in the dismantling and removal of industrial plants from the United States zone of occupied Germany, but sufficient information has not yet been made available for the proper consideration by the Congress of this problem in connection with any general program of European economic recovery: Therefore be it"

2. Strike out all after the resolve clause and insert a new resolution, as follows:

"Resolved, That the Secretary of State and the Secretary of Defense are requested to transmit to the House of Representatives at the earliest practical moment the following information, namely:

"1. How many of the 682 plants in Germany recently announced as surplus and

available for reparations have actually been dismantled and removed from Germany? How many from the British zone? How many from the Russian zone? How many from the French zone?

"2. What was the character and capacity of the removed plants in each zone? Which ones could have contributed to the economic reconstruction of Germany and Europe within the scope of the so-called Marshall plan?

"3. What is the character and capacity of those remaining to be dismantled or removed by zones?

"4. How many of these remaining to be dismantled or removed could be converted to peacetime production? For example, from making nitrogen explosives to making nitrogen fertilizers?

"5. How many of these plants remaining to be dismantled and removed are capable of making a substantial contribution to the export trade envisioned as necessary if Germany, or the bizonal area of Germany, is to balance her imports of food by export of goods in the year 1952?

"6. On what basis was the determination made that a particular plant was surplus? That is, was the surplus character of the plant determined in relation to German domestic products or in relation to available raw materials, or in relation to manpower? Or in relation to exports readily salable abroad?

"7. How much material and goods and how much cost in dollars will be required to be sent from the United States to make up for the production of the plants heretofore removed and proposed for dismantling and removal?

"8. Have plants been removed from any of the zones in Germany beyond the limits prescribed or contemplated in the Yalta Agreement? If so, by whom, from what zone, and to whom have they been allocated?

"9. Has agricultural produce been removed from any zone for delivery into countries outside of Germany which would be important in feeding the civilian populations inside Germany and thereby contribute to the lessening of the financial demands upon the United States? If so, by whom, and in what amounts?

"10. To what extent have harbor facilities and transportation equipment been removed from Germany, and is any replacement of these facilities or equipment contemplated in the proposals for supplying by the United States as a part of economic recovery for Europe?

"11. Why has the Government of the United States not taken appropriate steps to delay temporarily the further dismantling of plants in western Germany so as to permit further study by the appropriate committees of Congress in order to determine whether such transfers are prejudicial to any general recovery program for western Europe?"

House Resolution 365 was introduced in the House of Representatives on November 24. It raised a series of questions concerning the program for dismantling German industrial plants for reparations.

On November 25 Chairman EATON wrote a letter to the Department of State requesting answers to the questions raised by the resolution.

On December 4 the committee heard Mr. Lawrence Wilkinson, of OMGUS, Berlin, testify on the questions. At that time the Department of State was awaiting additional material in reply to inquiries addressed to United States authorities in Germany. On December 16 Gen. Theodore Draper, Under Secretary of the Army, appeared before the committee to testify on the general questions raised.

On December 6 the Department of State delivered to the committee additional material, including—

(a) A letter from Acting Secretary of State Robert A. Lovett.

(b) A memorandum containing information on capacities involved for a few industries, and on the allocation by countries, and other matters supplementing the other documents available.

(c) A copy of the list of plants to be dismantled in the French zone.

(d) A cable from Germany giving the degree of dismantling already accomplished, by plants, for the United States zone.

All of this information is in the files of the Committee on Foreign Affairs and is available for inspection by any Member of the House.

The Department of State and the Department of the Army also have requested further information from United States authorities in Germany concerning details of plant capacity in key industries, and concerning removals of harbor equipment, and on other points. The replies to these inquiries have not yet been received.

(a) The purpose of House Resolution 365 was to place the Congress in a position to judge, on the merits, the effect of plant removals upon any program for European economic recovery. The question involves particularly those plants capable of producing items such as steel sheets and tubing, of which there are international shortages. Further information on these plants has been promised by the Department of the Army, but has not yet been delivered. Eventually, complete detailed information will be needed to check the balanced character of the most recent proposed level of industry for the western zones of Germany.

(b) Much of the information called for by House Resolution 365 is impossible to obtain at present. Information on plant removals in the Soviet zone since the end of hostilities, and on projected plant removals, is unavailable. Information on the British and French zones may be obtainable, but is subject to delays.

(c) The witnesses and the Department of State have made great efforts to answer the questions presented by House Resolution 365. At the same time, the information provided in many of the answers has been inadequate. The inadequacy of the information is not due to any fault of the Department of State or of the witnesses. It is due to the impossibility of obtaining the necessary information in a short time.

(d) To seek complete answers to some of the questions asked, even if only on plants that could produce bottleneck items, would require either considerable further investigation through hearings or direct field investigation in Germany or both.

(e) A judgment by Congress on the merits of the removal of any particular plant also requires further information. The removal program ostensibly rests upon the identification of certain plants as surplus to future German needs, and therefore as properly removable in compliance with the reparations clauses of the Potsdam agreement.

In order to know whether a plant is surplus we must know—

1. The total industrial capacity available in Germany for the production of the particular product involved;

2. The capacity usable in Germany under realistic estimates of available materials and manpower;

3. The reasons for choosing the particular plant rather than another as surplus, especially in relation to transportation, manpower, housing, etc.; and

4. The basis on which German future needs for the particular product have been estimated, and the degree of realism in this basis of estimation relative to the projected German balance of imports and exports when Germany will ostensibly cease to require American aid.

Further, even if a plant may be properly classed as surplus, we would need to know what value it will have for European recovery if moved, as compared with the labor and transportation cost of removal.



Some hope is being expressed here that the Jews will be strong enough to protect themselves. The projected state would have a population of more than 1,000,000. It is surrounded by more than 30,000,000 Arabs.

#### ARAB STRENGTH ASSESSED

However, none of the Arab nations has a trained army, equipped with modern weapons. The nearest approach to it is the British-trained Arab Legion, in Trans-Jordan, a state no larger than the proposed Jewish state.

Although numerically inferior, the Jews could put into the field at least one regular army unit and thousands of tough, experienced guerrilla fighters. They have the Jewish brigade, trained and equipped by Britain, which fought with recognized success in the last stages of the Italian campaign.

Their irregulars, the majority of whom served in other European armies before the last war, have been the spearhead in the underground operations of the last two years.

But United States observers believe that even a large-scale guerrilla struggle between Arabs and Jews would bring from Moscow the offer to station Russian troops in Palestine.

"They might come in on a temporary basis," experts said, "and then you'd never get them out."

[From the New York Times]

#### WASHINGTON ROWS ON PALESTINE VIEW—OFFICER'S THEORY THAT RUSSIAN TROOPS WILL ENTER MID-EAST HIT BY STATE DEPARTMENT

WASHINGTON, December 3.—A behind-the-scenes row between State Department officials and the Army appeared to be shaping up tonight over a high Army officer's prediction that Russia would use civil war in Palestine as an excuse to seize a bridgehead on the Mediterranean.

The Army officer, who declined the use of his name, said the General Staff was gravely concerned about a possibility that Soviet troops would move into the Holy Land under the pretext of preventing bloodshed between Jews and Arabs over partition.

But responsible State Department officials, who likewise insisted on remaining anonymous, discounted these fears and said that such statements amounted to a needless stirring up of trouble. They hinted that the whole matter might be taken up between high officials of the two departments.

#### REACTION IN CONGRESS DIVIDED

Congressional reaction was split almost evenly. Some members of the House and Senate deplored the Army officer's statement. Others heartily agreed with it.

Senator WALTER F. GEORGE, Democrat, of Georgia, a veteran member of the Senate Foreign Relations Committee, said it was "unfortunate to ascribe such motives to Russia at this time," and added that the officer's statement "could in itself be a provocation" to trouble.

He said he was confident the United Nations would be able to handle the Palestine situation by creating an international security force in which all of the big powers would be represented by troops.

Representative FRANCES P. BOLTON, Republican, of Ohio, a Member of the House Foreign Affairs Subcommittee that visited the Holy Land last summer, said: "The only conceivable reason Russia joined in this thing (the United Nations plan to partition Palestine) was to get into that area in some superficially legitimate manner. It was foreseen by many people in the Holy Land."

State Department sources pointed out that any Soviet move to enter Palestine by force would be a clear violation of the United Nations Charter, and they appeared confident that Soviet leaders would avoid such

action. The Army officer had contended that Russia's army would move into Palestine within a few months under a "cloak of legality" and that "nobody will be able to get her out."

#### BRITISH SMILE AT ANXIETY

LONDON, December 3.—Wry smiles greeted a British press report today that the United States congressional and administration circles were alarmed over the prospect of Soviet troops moving into Palestine as part of an international police force. One official remarked to an American correspondent:

"You people plunged into this thing with such great enthusiasm and now that you are beginning to see some of the delicacies of the situation you are becoming apprehensive. I imagine some of your legislators awoke out of a bad dream in which they saw hordes of Red soldiers crawling all over the Middle East."

Mr. GOSSETT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Wisconsin. I yield.

Mr. GOSSETT. I have here a copy of a letter written by a very prominent official of the Trans-Jordan Pipeline Co. to his wife on the day following the partition vote, in which he depicts a lot of riots and destruction of property over what has been carried in the public press, evidencing the reaction of Arabia to our activity. He says:

This puts everyone down on the United States. Why the United States wants to meddle in affairs like this is beyond me.

Then I have here a clipping I wanted to ask the gentleman's opinion about, appearing in the Evening Star of December 13, entitled "American Jews Ask \$283,000,000 for Palestine Aid and Arms." It seems that the United Jewish Appeal Committee is now asking for \$28,000,000 immediately to arm the Jewish people in Palestine for the avowed purpose of carrying on at least a guerrilla warfare. If we are going to send arms or permit American citizens to send shipments of arms to persons in Palestine, are we not going to further antagonize and alienate the good will and friendship of the Arabian world?

Mr. SMITH of Wisconsin. I am sure that follows as a matter of course.

I would be glad to include the correspondence the gentleman refers to if he wishes me to do so.

Mr. GOSSETT. I want to commend the gentleman for a very excellent disertation.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

(Mr. SMITH of Wisconsin asked and was given permission to revise and extend his remarks.)

#### EXTENSION OF REMARKS

Mr. MANSFIELD asked and was given permission to revise and extend the remarks he made earlier in the afternoon.

#### SPECIAL ORDER

Mr. HOLIFIELD. Mr. Speaker, I have a special order immediately following the gentleman from Illinois [Mr. PRICE]. I ask unanimous consent that the remarks and the matter therein contained which I intended to deliver be inserted in the RECORD at a point following the remarks of the gentleman from Illinois [Mr. PRICE].

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HOLIFIELD]?

There was no objection.

Mr. KLEIN. Mr. Speaker, I have a special order for today. I ask unanimous consent that I may insert my remarks in the RECORD at the point where I would be recognized under my special order today.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### HOURLY MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### RULES COMMITTEE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file a rule.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, is it the purpose of the Committee on Rules to bring in the Senate bill?

Mr. HALLECK. Well, of course, I cannot answer for the Committee on Rules. The Committee on Rules will act, of course, as they determine they should act, and that is no equivocation with respect to the answer. That is the only answer I can make on any occasion.

Mr. SMITH of Ohio. Is it my understanding that the proposition is to bring this bill in and pass it in the form that it passed the Senate, in the event it does pass the Senate, so that there would be no conference on it at all? Is that the strategy?

Mr. HALLECK. I am not going to enter into a discussion with the gentleman about that, because there has been no determination in that regard.

Mr. SMITH of Ohio. Well, I do not want to throw any wrench into the party machinery, but this thing all the way through does not look very good to me. It does not look very forthright to me, and I feel that everything that can humanly be done ought to be done to call the attention of the people of this country to what is going on down here in Washington. Therefore, Mr. Speaker, I will have to object.

#### CONSIDERATION OF CONFERENCE REPORT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order the balance of this week to consider conference reports at any time after they are presented, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, if the gentleman will exclude any possible conference



report that might be made regarding the so-called anti-inflation bill, I shall not object. If that is not excluded, I must object.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SMITH of Ohio. I object, Mr. Speaker.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 30 minutes.

IN COMMEMORATION OF ONE HUNDREDTH ANNIVERSARY, DECEMBER 30, OF THE BIRTH OF JOHN PETER ALTGELD, GOVERNOR OF ILLINOIS, 1893-97

Mr. PRICE of Illinois. Mr. Speaker—  
Sleep softly, eagle forgotten, under the stone,  
Time has its way with you there, and the clay  
has its own,  
Sleep on, O brave-hearted, O wise man, that  
kindled the flame—  
To live in mankind is far more than to live  
in a name,  
To live in mankind, far, far more, than to  
live in a name.

Mr. Speaker, those are the closing lines of the poem, *The Eagle That Is Forgotten*, by Vachel Lindsay. They were written about a great American born December 30, 1847, just a few days shy of 100 years ago.

That man was John Peter Altgeld, born in Germany, reared in abject poverty in the United States, self-educated, elected to the highest office in the State of Illinois, defeated, vilified, and crucified. At his death, Clarence Darrow was the funeral speaker. Ministers, we are told by historians, feared the wrath of their congregations were one of them to officiate.

Yet, in the words of the poet, Lindsay, "To live in mankind, far, far more than to live in a name." John Peter Altgeld did live in mankind, he lived only in mankind for years. Now he emerges to live in a name, in his rightful name as one of those men who rise in an emergency to fight for justice and freedom, to fight against oppression, tyranny, and greed.

What was the spark in John Peter Altgeld which makes his name and fame grow with the years, despite the fact he was held in practical disrepute at the time of his death?

The bare facts of his life reveal a familiar story—the great American success story of the immigrant lad, poverty-stricken in his youth, who rose to riches and prominent position. In the case of John Peter Altgeld, however, the story took a sharp twist from pattern, for he lost both his wealth and his prominent position before he died. But the spark that set him off from other men is not revealed in either the familiar pattern nor the deviation from that pattern during the later years.

He was elected Governor of Illinois in 1892—the first Democratic governor after the Civil War. This fact did not set him apart from other men in political life—not even the fact that his was the first Democratic victory after the great strife of the 1860's.

The thing that sets him off was his devotion to principle, and the principle of fighting for human rights. His oppo-

sition to special privilege was the thing that, through the years, has endeared him to the normal citizen—the citizen without wealth or power of any sort.

It was his great devotion to principle which caused his political downfall and gave his enemies a popular issue for use against him. The first evidence of this devotion to principle came a few months after his inauguration when he pardoned three men convicted of conspiracy in connection with the famous Haymarket riot of 1886. His review of the case remains to this day a masterpiece of analysis. But his reasons were most succinctly summed up when he spoke to one-time neighbors in Richland County, Ohio, several days after the pardoning, at the funeral of his mother:

Those fellows did not have a fair trial and I did only what I thought was right.

Considerations of guilt or innocence, nor the political views of the prisoners—they were popularly referred to as anarchists—did not enter into his decisions. He was only sticking devotedly to one of the principles upon which this Nation was founded, that all those accused are guaranteed a fair trial.

This was the beginning of his downfall. His enemies, those who feared his liberalism, now had something with which to attack him. He was called an anarchist, and worse. He was vilified by high and low.

A second instance of his devotion to duty was his sharp criticism of President Cleveland for sending troops to break the Pullman strike. He held to the principle that the Federal Government had not the right to send troops into any State unless requested so to do by the chief executive of that State. It mattered not that President Cleveland was, like Altgeld, a Democrat. Principle to Altgeld was greater than partisan politics.

His administration made a memorable record for itself. Consider the scope of the laws enacted during his 4-year term: Laws regulating labor by women and children and requiring factory inspection; laws establishing an inheritance tax and setting up a probation system; laws establishing the beginnings of State civil service and bringing new standards of humanity to charitable and penal institutions. All these things, plus his unyielding opposition to bills which granted special privileges to monopolies and trusts, and his fights against trust, made his administration indeed the first New Deal in America.

Irving Dillard, writing in *Survey Graphic*, August 1942, said, and I quote:

He took to the State capitol in Lincoln's Springfield a quiet and abiding love of fairness and an unyielding devotion to the welfare of ordinary people; it is significant that his parents brought him, a baby 3 months old, from Germany in the spring of 1848. Did any American ever come up a harder way? The poverty that cradled him in Ohio was the most abject kind. He had virtually no schooling and worked his way to Missouri as an itinerant, penniless farm hand. His appearance was against him and a heavy German accent was a constant handicap.

His German ancestry was used against him time and time again by his political enemies, who had not the courage to fight him on the issues. His lack of education

was also used against him, yet by self-education—pulling himself up by his own bootstraps, if you will—he had become one of the most gifted speakers of his time, and authored a booklet on oratory.

His enemies, by innuendo and by direct application, tried to appeal to bigotry, prevalent then as now, by citing his German birth, despite the fact his philosophy was basic Americanism. His democracy was the democracy of Jefferson and Jackson. He was as Jeffersonian as the Sage of Monticello, except that Jefferson concerned himself with agrarian reforms while Altgeld came along in the midst of the great industrial revolution in this country.

His belief in free enterprise was in the real American tradition. Altgeld, as all real progressives do, believed in free enterprise, but he opposed special privileges to free enterprise, which he knew in the end would lead to its self-destruction. He opposed special privilege in the face of great temptations.

He was in the forefront of the fight against industrial monopolies, characteristic of the eighties and nineties. This was a major battle in Illinois—Union Stockyards, a giant combine in itself, was owned by the principal stockholders of the Nation's railroads, according to a United States Senate committee; the Pullman monopoly of sleeping cars was brought to light by the strike; the absentee and centralized ownership of Illinois coal mines, with their squalid company towns. And in Chicago there was the rise of the Gas Trust and the Yerkes traction combine.

At Springfield, in February 1893, the legislature opened an investigation of the Whiskey Trust which resulted in remedial legislation. But the most sensational battle occurred in the late spring of 1895 when the Chicago gas and traction interests attempted to secure an undisputed monopoly through extensive franchise and related legislation which could only come from the State legislature. The traction company sought a 99-year franchise, while the Gas Trust sought similar privileges, aimed at stifling competition.

Altgeld's reaction to these bills is described by Harvey Wish, writing in the July 1941, issue of the *American Historical Review*, who reports, and I quote:

As the monopoly bills were introduced into the legislature, the huge element of official bribery soon attracted popular attention and aroused a hostile press; nevertheless, under careful legislative sponsorship, the gas and traction bills passed both houses. Altgeld's silence on the subject and the well-known fact that his cousin and business partner, John W. Lanehart, was affiliated with the Ogden Gas Co., an interested concern in the Springfield proceedings, appeared ominous to certain reformers. Then occurred a startling development. Both traction and gas representatives approached the Governor with offers of huge bribes should the desired special legislation become law; the traction interests offered Altgeld \$500,000, while similar financial inducements came from the gas companies.

The Governor's hostile reply, despite the sudden collapse of his wealth due to the depression and because of his preoccupation with official duties, came emphatically in a stinging triple-barreled veto message



basket of historical oblivion and go back to sweatshop standards.

That is the line of the NAM.

Last April 15 I told the House, Mr. Speaker, of how the paid representatives of the National Association of Manufacturers had drafted this law in a smoke-filled room in the House Office Building, and I warned that it did not even represent the desires of the vast majority of employers.

#### CHAOS TOO BIG A PRICE

The law is now beginning to reap its fruits, but not in benefits for the working men and women of this country.

The only benefits of the law have been to the selfish interests of those who wrote the act and lobbied it through—the NAM. Even employers know now, and increasingly recognize that chaos is a huge price to pay for such benefits.

We have heard it said, over and over again, that the country needs production; but you cannot have production if your labor relations are in constant turmoil.

That is why it is vitally important that the Taft-Hartley law should be repealed, and I will move soon after the Congress reconvenes that legislation to that end, already introduced, be given hearings before the Committee on Education and Labor, of which I have the honor to be a member.

#### PERMISSION TO COMMITTEE ON RULES TO FILE REPORT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, I objected to this request a few moments ago. I have learned, however, that if the objection stands, the House will recess and permit the Rules Committee to deliberate the bill that is under consideration in the other body at the present time and report to the House, at which time the House will be reconvened by the Chair. They are still debating this proposition over on the other side of the Capitol, and I do not know how long they will debate it. I do not want to inconvenience the Members of the House. That being the procedure, I shall not object at this time.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

#### CONSIDERATION OF CONFERENCE REPORTS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order the balance of this week to consider conference reports at any time after they are presented, notwithstanding the provisions of clause 2, rule XXVIII.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. SMITH of Ohio. Mr. Speaker, reserving the right to object, that is the same request I objected to before and unless it is changed to exclude a conference report relating to the so-called anti-inflation bill that is under con-

sideration by the Senate, I will have to object. At this time I object.

#### RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following communications which were read:

DECEMBER 18, 1947.

Hon. JOSEPH W. MARTIN, Jr.,  
*Speaker, House of Representatives.*

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on the Judiciary.

Respectfully,

ANGIER L. GOODWIN.

DECEMBER 18, 1947.

The SPEAKER: I hereby tender my resignation as a member of the Committee on House Administration effective immediately.

FRED E. BUSBEY.

DECEMBER 18, 1947.

Hon. JOSEPH W. MARTIN,  
*Speaker, House of Representatives,*  
*Washington, D. C.*

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Banking and Currency.

Respectfully yours,

ELLSWORTH B. FOOTE.

Hon. JOSEPH W. MARTIN,  
*Speaker of the House of Representatives,*  
*Washington, D. C.*

MY DEAR MR. SPEAKER: I beg leave to inform you that I am hereby tendering my resignation as a member of the Committee on Expenditures in the Executive Departments to become effective today, December 18, 1947.

With great respect,

MITCHELL JENKINS.

The SPEAKER. Without objection, the resignations will be accepted.

There was no objection.

#### ELECTION OF MEMBERS TO COMMITTEES

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 411) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the following Members be, and they are hereby, elected members of the following standing committees of the House of Representatives, to wit:

Banking and Currency: DONALD W. NICHOLSON, Massachusetts.

Expenditures in the Executive Departments: RALPH HARVEY, Indiana.

House Administration: RALPH HARVEY, Indiana.

Interstate and Foreign Commerce: FRED E. BUSBEY, Illinois.

Judiciary: ELLSWORTH B. FOOTE, Connecticut; and WILLIAM M. McCULLOCH, Ohio.

Merchant Marine and Fisheries: CHARLES E. POTTER, Michigan.

Ways and Means: ANGIER L. GOODWIN, Massachusetts.

The resolution was agreed to.

A motion to reconsider was laid on the table.

#### EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances, in one to include a statement that he made before one of the committees.

#### SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes after any special orders heretofore entered for today.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

#### SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentlewoman from California [Mrs. DOUGLAS] is recognized for 15 minutes.

#### CONTROLLING INFLATION

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to include as part of my remarks a table prepared for me by the legislative reference service of the Library of Congress showing how big business and monopoly interests have increased their earnings since 1939.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, we have just come through a devastating and world-shaking war. Because we have failed to fully recognize the effect that the war had on our economy we have inflation today.

We should have learned in the last 2½ years that our economy cannot be picked up just where we left off. Because we haven't recognized this all-important fact our economy today is in danger of pulling apart. Prices are going through the ceiling and the consumer is being priced out of the market.

I warned last March—10 months ago—that if the Eightieth Congress did not take steps to control prices we were headed for inflation. Well, Congress didn't act and we have inflation. I say now that if Congress does not act we are headed for a crack-up within 6 months.

Congress gives no evidence that it has learned anything from its mistakes of this past year. Indeed, Congress has given every evidence in these last few weeks of continuing its reckless course in utter disregard of the welfare of the American people.

Mr. Speaker, there have been a lot of speeches against communism on this floor. You have to do more than make speeches against communism in order to preserve democracy. Specifically, we must buttress our democracy by an economy that is sound. In a democracy a sound economy is one that is supported by the purchasing power of all the people. The people today are being priced out of the durable market. Their purchasing power is evaporating. In the face of these facts Congress cannot stand idly by and do nothing. The recovery of the world—peace itself—depends upon the stability and health of our economy.

Mr. Speaker, I have introduced a tax bill which places its emphasis upon this crucial problem—the drawing together of the consumer and the market. My tax bill helps in two ways to bring the consumer and the market together. In the first place it grants relief through a cost-of-living credit to everybody and this is particularly important for the middle- and low-income taxpayer. At the same time it restores the ability of these groups to remain in the market by reducing the incentive for high prices through its imposition of an excess profits tax.



The excess profits tax is in this instance not a punitive measure but it is a positive step toward controlling runaway prices and a positive step toward saving business—big and little. If such a step is not taken, I tremble for the free enterprise system.

Why should we have an excess-profits tax in December 1947?

Corporations in 1947 will have profits after taxes which are 170 percent of their wartime peak. 1947 profits will be nearly double those for 1945, 3½ times the figure for 1939, and 7 times that for 1938.

Corporate profits after taxes, 1929, 1934, 1939-47:

1929	\$8,420,000,000
1934	977,000,000
1939	5,005,000,000
1940	6,447,000,000
1941	9,389,000,000
1942	9,433,000,000
1943	10,363,000,000
1944	9,928,000,000
1945	8,939,000,000
1946	12,539,000,000
1947 (estimated)	17,000,000,000

I am including a table showing how big business and monopoly interests have increased their earnings since 1939.

I want to emphasize that these high current profits do not arise from increased production. Federal Reserve indexes show that the volume of physical production is 20 percent below the wartime level. These profits are based on unfair and inequitable prices. These inflated prices will destroy the savings of the people and American business itself.

Controls imposed during the war generally prevented corporations from exacting the prices that a short supply and heavy demand would encourage. An excess-profits tax helped to mop up surplus profits and assisted in keeping prices down. But with the end of the war, and in the face of the greatest consumer demand in history—and incidentally the greatest profit period—controls were abolished and the excess-profits tax repealed.

All corporation income taxes, including the excess-profits tax, which produced \$14,800,000,000 in fiscal 1944, \$16,000,000,000 in 1945, fell to \$12,600,000,000 in 1946, and \$9,600,000,000 in 1947. An excess-profits tax now would raise an additional \$6,000,000,000 which could go a long way to finance the Marshall plan of aid to Europe, to pay off the debt, and to provide the basis for reducing the tax on low-income groups which are suffering most from inflation.

In spite of reduced corporation taxes, prices generally have advanced 24 percent since VJ-day. Food has gone up 40 percent. At the same time average weekly earnings of factory workers which in early 1945 exceeded \$47 are now only about \$50, a rise of 6 percent.

The mulcting of the general public must be prevented if our economy is to survive.

One way to absorb for the benefit of all the people the superprofits resulting from unreasonable price advances is to reimpose an excess-profits tax. The knowledge that excessive profits will be

taxed would result in a lowering of prices and a restoration of profits to a just normal.

Without such a preventive we will continue in the least intelligent way to distribute goods in short supply—by inflation. This way will destroy the accumulated savings that hard-working labor built up during the war.

In destroying the savings of the people, business is laying the groundwork for the next depression.

Mr. Speaker, I have offered a tax bill that will help the American people in this crisis. I would like to hear one good reason from the other side of the aisle as to why this bill should not be passed.

I include now, Mr. Speaker, the table showing how big business and monopoly interests have increased their earnings since 1939. This table was compiled for me by the Legislative Reference Service of the Library of Congress.

#### APPENDIX A

##### 1947 CORPORATION PROFITS

This is a selected list of manufacturing and mining companies earning profits at rate in excess of \$5,000,000 per year in 1947. The list, for the most part, is confined to corporations whose profits so far as reported in 1947 exceed those for the corresponding period in 1946. Data for the full year 1939 are also given. The reference 2 following the name of a company indicates it is one of the 50 largest (in assets) manufacturing companies in the United States. Data on these 50 companies are reported even though 1947 profits are still unreported or, if reported, are less than the figures for 1946.

#### OIL COMPANIES

Corporation	1947		1946		1939 <sup>1</sup>	
	Number of months	Profits	Number of months	Profits	Number of months	Profits
Amerasia Petroleum Corp. (and subsidiaries)	9	\$10,371,503	9	\$5,997,069	12	\$1,230,764
Atlantic Refining Co. (and subsidiaries) <sup>2</sup>	9	10,836,518	9	4,922,052	12	5,028,212
Barnsdall Oil Co.	9	6,281,252	9	3,535,553	12	1,720,292
Continental Oil Co. (and subsidiaries)	9	24,889,113	9	12,061,245	12	6,304,504
Gulf Oil Corp. <sup>2</sup>	6	42,510,375	6	26,746,013	12	15,315,781
Mid-Continent Petroleum Corp. (and subsidiaries)	9	12,763,617	9	7,662,872	12	2,650,502
Ohio Oil Co.	6	13,246,116	6	8,263,962	12	1,492,068
Phillips Petroleum Co. <sup>2</sup>	9	26,706,157	9	14,763,153	12	9,833,314
Pure Oil Co. <sup>2</sup>	6	8,161,908	6	6,985,280	12	8,290,419
Richfield Oil Corp.	9	7,040,170	9	4,473,441	12	2,601,926
Shell Union Oil Corp. <sup>2</sup>	9	38,670,876	9	23,981,773	12	11,805,713
Sinclair Oil Corp. (and subsidiaries)	6	20,476,207	6	12,051,203	12	7,540,831
Skelly Oil Co.	9	13,448,167	9	6,484,106	12	2,360,783
Socony-Vacuum Oil Co., Inc. <sup>2</sup>	9	66,000,000	9	36,000,000	12	34,452,710
Standard Oil Co. of California <sup>2</sup>	9	66,544,580	9	48,990,458	12	17,882,505
Standard Oil Co. of Indiana <sup>2</sup>	6	40,936,430	6	33,668,845	12	34,142,643
Standard Oil Co. of New Jersey <sup>2</sup>	6	140,000,000	6	88,000,000	12	53,577,293
Standard Oil Co. of Ohio	6	7,191,037	6	5,154,885	12	5,602,499
Sun Oil Co. (and subsidiaries)	6	11,360,170	6	4,360,212	12	6,959,677
Texas Co. <sup>2</sup>	9	75,396,388	9	50,360,115	12	32,886,807
Tide Water Associated Oil Co. (and subsidiaries)	6	11,235,945	6	8,188,182	12	9,975,887
Union Oil Co. of California <sup>2</sup>	6	8,543,594	6	3,806,117	12	4,606,789

#### STEEL AND OTHER METALS COMPANIES

Allegheny Ludlum Steel Corp.	9	\$4,553,972	9	\$4,599,139	12	\$2,093,518
Aluminum Co. of America <sup>2</sup>	(4)	(4)	12	11,581,237	12	14,801,970
American Rolling Mill Co. (and subsidiaries) <sup>2</sup>	9	18,165,398	9	12,488,684	12	4,011,909
American Smelting & Refining Co. (and subsidiaries)	6	20,896,033	6	1,867,778	12	13,057,145
Anaconda Copper Mining Co. <sup>2</sup>	9	34,473,066	9	13,150,083	12	20,236,552
Bethlehem Steel Corp.	9	38,710,728	9	29,794,650	12	24,638,384
Inland Steel Co. (and subsidiaries)	6	10,171,288	6	4,973,300	12	10,931,016
Jones & Laughlin Steel Corp. (and subsidiaries) <sup>2</sup>	9	16,682,738	9	6,109,260	12	3,188,944
Kennecott Copper Corp. <sup>2</sup>	6	46,086,826	6	4,508,933	12	33,917,443
Keystone Steel & Wire	12	6,087,002	12	2,777,605	12	927,542
National Lead Co.	6	6,479,049	6	5,069,455	12	5,780,500
National Steel Corp. (and subsidiaries) <sup>2</sup>	9	19,903,655	9	13,941,320	12	12,581,636
Republic Steel Corp. (and subsidiaries) <sup>2</sup>	9	23,111,631	9	9,494,414	12	10,671,343
Revere Copper & Brass, Inc.	9	6,676,295	9	3,198,104	12	1,615,069
St. Joseph Lead Co. (and domestic subsidiaries)	6	6,706,815	6	2,793,061	12	5,292,908
Sharon Steel Corp. (and subsidiaries)	9	4,756,350	9	2,042,349	12	255,497
United States Steel Corp. (and subsidiaries) <sup>2</sup>	9	43,678,696	9	12,443,381	12	41,119,934
Whiting Steel Corp.	9	8,430,261	9	3,183,041	12	5,560,755
Youngstown Sheet & Tube Co. <sup>2</sup>	9	19,446,836	9	9,176,395	12	5,004,484

Footnotes at end of table.



ment Group, which has come here from Switzerland for the purpose of making this dramatization available to us and other Americans.

Let me say to those who were not there last night that I hope you will arrange to go tonight and take your families. Tickets are available, without charge, from the office of the gentleman from New York [Mr. WADSWORTH]. I think The Good Road is a fine tonic for faint-hearted men who feel that war is inevitable, that lasting peace is impossible. They should see this program. It is something inspirational and worth while. I assure you you will find it good for what ails you. It was good for what ails me and it is good for what ails the whole wide world. I hope you and your families will avail yourselves of this rare opportunity. The Good Road is the highway of freedom; it is the path of Christian brotherhood; it is the straight road to peace through mutual understanding and decent, honest, reciprocal international relations.

#### EXTENSION OF REMARKS

Mr. WOLVERTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Evening Courier.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

#### THE PETROLEUM SHORTAGE

Mr. WOLVERTON. Mr. Speaker, the Committee on Interstate and Foreign Commerce which has jurisdiction over petroleum matters, is aware of the unfortunate condition with respect to fuel shortage that exists in so many sections of our country. Starting last week the committee has held extensive hearings. We have had before the committee responsible representatives of the agencies of the Government that have to do with this matter, and this afternoon at 2 o'clock we are holding a session with the representatives of the several agencies of our Government together with representatives of the oil industry in the hope that some of the apparent conflicting opinions as to the cause of the shortage may be straightened out and some program be adopted that will bring relief to the different sections of our country.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield.

Mr. McCORMACK. I think the House is indebted to the gentleman for the efforts he has made and for the statement he brings us today. We know he will do everything he can; but may I ask the gentleman if he will look into the power of any agency of the Government to allocate; I mean in case of an emergency, to see that fuel oil or kerosene is brought to the danger spots, no matter where they may be, the acute danger spots; and particularly whether or not the Maritime Commission has any authority in the

sale of tankers to direct the use of those tankers in domestic trade or direct the use of the tankers to meet a particularly acute situation or emergency situation, but even acute within an emergency.

Mr. WOLVERTON. Mr. Speaker, I can assure the gentleman that the committee has already inquired into that matter. We are not satisfied with the answers that have been given. It would seem as if each department has a different explanation of the situation. Some individuals in the oil industry, on the other hand, claim there is plenty of oil. To such it therefore seems to be only a question of distribution. It is because of that fact and because there may be some lack of authority to do what the gentleman has suggested that we are holding this session this afternoon with all the interested parties in the hope that some plan can be worked out that will relieve the situation such as exists in the gentleman's State of Massachusetts, in New England, in the Midwest, and elsewhere.

Mr. MacKINNON. Mr. Speaker, I ask unanimous consent that the gentleman's time may be extended for 1 minute.

The SPEAKER. That request cannot be entertained.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. WOLVERTON. I yield.

Mr. HOFFMAN. As I understand it, the practical objective the committee has in mind is to get this oil out to the people of this country.

Mr. WOLVERTON. That is our endeavor.

Mr. HOFFMAN. Would that interfere in any way with our foreign-aid program?

Mr. WOLVERTON. Several situations have been presented to us which would indicate that careful consideration must be given to our domestic demands preliminary to embarking upon any extensive exportation to foreign countries. By way of illustration, the country to the north of us is receiving an extremely large additional amount of oil above what was previously the case. In matter of fuel oils I think I am correct in saying that during the first 9 months of this year more than 4,000,000 barrels have been exported to Canada as against a little over 1,000,000 barrels for the same period of 1946. That and also other instances are being looked into very carefully by your Committee on Interstate and Foreign Commerce.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. WOLVERTON. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. Can the gentleman tell me when he is going to report back on two resolutions I have introduced, one regarding coal cars on the Great Lakes and the other regarding information concerning the movement of oil and coal from the United States to Canada and other countries?

Mr. WOLVERTON. I may say to the gentleman from Massachusetts that the information with respect to coal and oil shipments and the distribution of tankers and cars for such purpose has been the subject of a hearing before

our committee. The committee has not completed its study. It is endeavoring to do so at the earliest possible day. We appreciate the interest that has been displayed by the gentleman from Massachusetts.

The subject of her other resolutions, House Resolution 380 and House Resolution 395, is the basis of the hearings that have been held this past week and are being held at the present time.

Mrs. ROGERS of Massachusetts. The gentleman knows that after seven legislative days I have the right to bring those bills up in the House. It was for the information of the entire House that I introduced the resolutions because I felt that the coal and oil situation was a matter for consideration by the House.

Mr. WOLVERTON. Under the rules, the gentleman from Massachusetts could move to discharge the committee. What she would gain by such procedure is hard for me to see. I think credit should be given to the committee in that it is seeking by hearings, that are being held every day, to obtain the information that the gentleman from Massachusetts is interested in, and if she was aware of the testimony that was taken she would find it covers the situation. The committee will be glad to submit to the lady and any other Members of the House who are interested in the subject, all the testimony it has taken whenever desired.

As previously said, the Interstate and Foreign Commerce Committee has held hearings for several days in the course of which it has received testimony from representatives of Government as well as industry with respect to petroleum shortages. These hearings have been held in an attempt to develop a constructive plan to alleviate or at least minimize existing petroleum shortages.

The witnesses have addressed themselves both to the immediate situation and to the longer range problems affecting the adequacy of petroleum supplies.

A number of things stand out as far as the shortages are concerned.

The Government witnesses contend that the present shortages are due primarily to a basic inadequacy of petroleum products. The industry spokesmen who have appeared before this committee, on the other hand, deny the existence of a products shortage and place primary emphasis on transportation shortages. The committee feels emphatically that this basic disagreement must be resolved before a constructive plan can be developed to meet the existing shortages. It, therefore, must insist that all those who can contribute to the plan sought after by the committee be utterly candid as to the facts in the situation. In order to secure the needed degree of candidness, the committee has decided to call before it today, as I have already mentioned, a selected group of industry leaders and Government representatives concerned with various phases of petroleum production, distribution, and transportation. The group will meet with members of the committee in a round-table conference designed to bring out the correct facts and to devise a constructive plan to minimize the existing shortages.



The committee, in the course of its round-table conference will seek to secure answers to all the pertinent questions affecting the shortage of fuel oil in an attempt to make certain that nothing will be left undone to accomplish a fair and equitable distribution of available petroleum supplies. If it should appear that the industry is unable to handle these problems fairly and equitably, it may be up to the committee to seek by legislation ways and means of protecting the American people in this emergency situation.

The SPEAKER. The time of the gentleman from New Jersey has expired.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MACKINNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

#### THE PETROLEUM SHORTAGE

Mr. MACKINNON. Mr. Speaker, I take this time to ask the gentleman from New Jersey [Mr. WOLVERTON], chairman of the Committee on Interstate and Foreign Commerce, if he will inform the House of the status of the present law insofar as it authorizes or does not authorize the Federal Government to allocate tank cars? Does the Federal Government presently have that authority or does it not?

Mr. WOLVERTON. It is my opinion it does have that authority.

Mr. MACKINNON. I thank the gentleman.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

#### THE SO-CALLED MARSHALL PLAN

Mr. SCRIVNER. Mr. Speaker, we are advised that tomorrow we will receive a rather voluminous message from the President of the United States on the so-called Marshall plan. I assume that it will then be known as the Truman foreign policy. I say "so-called Marshall plan" for the reason I have in my hand a copy of a letter, dated July 29, from the Secretary of State, in which he says: "These suggestions constitute neither a doctrine nor a plan." This statement confirmed the conclusion many of us had reached. I sincerely hope, Mr. Speaker, that the message will disclose to us whether or not the nations of Europe have fulfilled the condition precedent to receiving our aid under the suggestion, namely, that they bring forth plans that will help them help themselves, not merely a list of gifts they desire to receive from us.

I also hope that the urgent needs of China as disclosed by General Wedemeyer and others will be fully discussed and brought to our attention. I trust that we may learn during the discussion

the source of these suggestions that were brought to Secretary Marshall's desk by some person unknown and formed the basis of his remarks in his Harvard speech on June 5, which was thereafter called the Marshall plan.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. POTTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### THE PETROLEUM SHORTAGE

Mr. POTTS. Mr. Speaker, the gentleman from Michigan [Mr. MICHENER] and the gentleman from New Jersey [Mr. WOLVERTON] have expressed justifiable concern over the fuel oil shortage in America this coming winter. In this connection I would like to say that the House Committee on Merchant Marine and Fisheries held extensive hearings early in 1947 as a result of a request of the administration to extend the authority of the Maritime Commission to charter tankers because of an expected fuel shortage this winter.

These hearings showed that a tremendous shortage of fuel oil could be expected in America this winter if something were not done about it. As a result of the President's request, the powers of the Maritime Commission were extended by Congress for the purpose of easing the situation, and in the closing days of July this House passed a resolution to require the Secretary of Commerce to certify that on any exports of petroleum products they were not required for the defense of the United States, or for the needs of the citizens of America, but despite that, shipments are still going to Russia.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

#### FINANCING GERMAN OCCUPATION

Mr. RICH. Mr. Speaker and Members of the House, I read from one of the morning papers:

#### UNITED STATES TO SHARE BRITISH ZONE RULE COST

After months of negotiation the United States finally agreed yesterday to take over most of the British dollar burdens in the combined zones of western Germany until the end of 1948.

The agreement as signed by Acting Secretary of State Lovett for the United States and Sir William Strang for Great Britain, calls for additional expenditure of about \$400,000,000 by the United States in the coming year—\$800,000,000 for United States, \$115,000,000 for Great Britain.

Now, I want to say that it is about time that we find out why the State Department has the right to obligate us for everything that Great Britain wants. Great Britain is just taking us for a

bunch of suckers, and we have a lot of suckers in the State Department that are just gullible enough to give them everything they want. It is about time that we clean house of these New Dealers in the State Department. They have been so used in the last 10 or 15 years to give the British what they want, and give everything we have away, there will be nothing left for our own people at home. You look at the Treasury Department statement, and you will find that we are \$1,045,000,000 in the red up to the 15th of this month for this year since July 1. Why, you cannot stand this terrible exorbitant drain on the United States. It is time to clean House, men in the State Department and General Marshall should have seen this before this time. The only way to stop up this drain is to elect a new President who will see that our State Department and every other department of Government is free from the New Deal squanderers—the ones who are giving us away to foreigners. You men will find that your house will fall upon you if you do not get wise and economize. You are wreckers of freedom to permit it.

#### EXTENSION OF REMARKS

Mr. CORBETT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CORBETT. Mr. Speaker, as many of the Members know I frequently conduct polls of public opinion in my congressional district. I have completed another such poll covering 12 vital questions. The answers received are extremely interesting and I recommend them as well worth the attention of everyone.

The method employed to secure these percentage answers is important. Questionnaires are sent out to a fixed number of registered voters in each of the 207 voting precincts of my district. The addresses are selected arithmetically and the Republicans and Democrats separately handled.

The basic idea of the poll is to secure sufficient answers to reduce the possibility of error to a minimum. We invariably find during the tabulations a point where additional answers do not affect the percentage answers. When that point is reached we feel that we have secured a satisfactory reading of the public's point of view on a given issue at a given time.

For your further information it should be noted that the Thirtieth Congressional District of Pennsylvania in which this poll is taken includes all of northern Allegheny County and four wards of the city of Pittsburgh. The registered voters of the district are fairly evenly divided between Republicans and Democrats. The area includes many steel mills, coal mines, and some glass factories. It has large residential communities and an important number of small farms. As such and with a very heterogeneous population it provides a fairly good cross section of the United States.



The questions and percentage replies follow:

# REPUBLICANS

	Yes	No
	Pct.	Pct.
1. Should price ceilings be reestablished on selected commodities?.....	39	61
2. Should rent controls be extended and strengthened?.....	66	34
3. Should rationing of materials in short supply be restored?.....	33	67
4. In the event that price ceilings are renewed, should a ceiling be placed on wages?.....	77	23
5. Do you believe that it is possible to have wage and price ceilings in some selected industries and not in others?..	14	86
6. Do you believe that ceilings on wages and prices will slow up production?..	55	45
7. Do you believe that if wage and price ceilings are avoided that full production will restore reasonable prices on most commodities within 12 to 18 months?.....	61	39
8. High prices are primarily the result of: (a) Presidential policies, (b) congressional policies, (c) economic factors. (Name the most important cause; underline the second most important.)	(a) 42 (b) 15 (c) 43	
9. Do you favor the Marshall plan even if it sustains or increases the cost of living here?.....	57	43
10. On the whole, do you approve of the work of the Committee on Un-American Activities?.....	87	13
11. Do you regard the Taft-Hartley law as unfair to the average workingman?.....	12	88
12. Do you favor a reduction of income taxes at all income levels for the coming calendar year?.....	69	31

# DEMOCRATS

	Yes	No
1. Should price ceilings be reestablished on selected commodities?.....	62	38
2. Should rent controls be extended and strengthened?.....	75	25
3. Should rationing of materials in short supply be restored?.....	53	47
4. In the event that price ceilings are renewed, should a ceiling be placed on wages?.....	70	30
5. Do you believe that it is possible to have wage and price ceilings in some selected industries and not in others?..	24	76
6. Do you believe that ceilings on wages and prices will slow up production?..	38	62
7. Do you believe that if wage and price ceilings are avoided that full production will restore reasonable prices on most commodities within 12 to 18 months?.....	41	59
8. High prices are primarily the result of: (a) Presidential policies, (b) congressional policies, (c) economic factors. (Name the most important cause; underline the second most important.)	(a) 18 (b) 32 (c) 50	
9. Do you favor the Marshall plan even if it sustains or increases the cost of living here?.....	60	40
10. On the whole, do you approve of the work of the Committee on Un-American Activities?.....	76	24
11. Do you regard the Taft-Hartley law as unfair to the average workingman?.....	40	60
12. Do you favor a reduction of income taxes at all income levels for the coming calendar year?.....	59	41

# EXTENSION OF REMARKS

Mr. SARBACHER (at the request of Mr. GRAHAM) was given permission to extend his remarks in the RECORD and include an editorial.

# PERMISSION TO ADDRESS THE HOUSE

Mr. BUCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

# INFLATION LEGISLATION

Mr. BUCK. Mr. Speaker, the appropriation for European aid which we

voted yesterday is a further force toward inflation and high living cost. I will oppose adjournment of this special session until the Congress has enacted countermeasures which, in the opinion of the majority, are anti-inflationary curbs on the cost-of-living spiral.

May I also say that I attended the performance of The Good Road last night. It is good theater, good entertainment, and good for the soul. I recommend it unreservedly.

# PERMISSION TO ADDRESS THE HOUSE

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

# SHORTAGE OF FUEL OIL

Mr. DOUGHTON. Mr. Speaker, a most serious, in fact desperate, situation exists in North Carolina, as well as many other States today, caused by the lack of fuel oil to heat the homes of our people. Many home owners are without any heat whatever, and conditions are growing more desperate every hour.

The oil companies are holding out little or no hope of early relief. If relief is not speedily afforded, the Government, of necessity, must do something. Excuses do not satisfy, and alibis do not explain.

I read a telegram received this morning, which is similar to many others I have received on this subject:

Unnecessary to look to Europe for suffering and cold. Situation of fuel oil here desperate. Surely time arrived for own peoples to have some consideration. Charity should start at home.

If we do not do something, we will be classed with that person referred to in the Scriptures as "He that provideth not for his own household hath denied the faith and is worse than an infidel."

# EXTENSION OF REMARKS

Mrs. BOLTON. Mr. Speaker, in view of the fact that so little accurate information is reaching the Congress and the people of this country on the situation in the Near East, I ask unanimous consent to extend my remarks in the RECORD and include a letter I have received from Aleppo.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the needs of the National Park Service and the Fredericksburg and Spotsylvania County, Va., National Military Park.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. BLAND. Mr. Speaker, I further ask unanimous consent to extend my remarks in the Appendix of the RECORD and to include therein an address delivered by Walter Lippmann before the Alpha Chapter of Phi Beta Kappa at the one hundred and seventy-first anniversary of the organization of Phi Beta Kappa at William and Mary College. The dinner and public meeting was held on December 5, 1947, and the address was on the subject Philosophy and United States Foreign Policy.

It is estimated that it will make two and one-fourth pages of the CONGRESSIONAL RECORD, at a cost of \$159.75. Notwithstanding the space and the cost, the address is highly interesting, and I ask unanimous consent to extend it in the Appendix of the RECORD.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include an editorial that appeared in the Tribune of Lawrence, Mass.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a Christmas greeting.

# PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

[Mr. COX addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a bill I have introduced.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

# DEVELOPMENT OF THE NATION'S WATER POWER

Mr. RANKIN. Mr. Speaker, our sympathies, of course, go out to the people of the Northeast who are suffering for the want of coal.

They would be in a much worse predicament if it had not been for a few of us in this House, and in the Senate, who have fought for years for the development of our water power.

The power generated by the TVA on the Tennessee River and its tributaries amounts to 12,000,000,000 kilowatts a year. It would take 6,000,000 tons of coal to generate that much power. That amount of coal is released by the TVA for the benefit of the rest of the Nation.

There are 230,000,000,000 kilowatts of electricity going to waste every year in



our navigable streams and their tributaries from Maine to California.

It would take 115,000,000 tons of coal a year to generate the amount of electricity that water power would provide.

The development of Boulder Dam and the development along the Columbia River probably produce an amount of electricity that it would take something like 30,000,000 to 50,000,000 tons of coal to provide.

For years I have advocated developing all the water power of this Nation in order to take care of this country, not only now, but for generations to come. I sincerely trust that the rest of the Congress may come around to my way of thinking.

When you realize that in the Ohio River there is sealed up approximately 10,000,000,000 kilowatts of electricity a year, in a State where the coal supply is diminishing, and on the St. Lawrence 12,000,000,000 kilowatts of electricity are going to waste each year in an area that has no coal—to say nothing of the other streams throughout the country whose water power is going to waste.

The greatest wealth of this Nation outside of the soil, from which we live, is our water power. We should develop it and provide electricity for the American people at the lowest possible rates.

Under permission granted me to extend my remarks, I insert a bill I introduced to develop the water power of the entire Nation.

It reads as follows:

H. R. 502

A bill to provide for the creation of conservation authorities, and for other purposes

*Be it enacted, etc.,* That this act may be cited as the Conservation Authorities Act of 1945.

#### PURPOSE AND POLICY OF THE ACT

SEC. 2. It is the purpose and policy of this act to develop, integrate, and coordinate plans, projects, and activities for or incidental to the promotion of navigation, the control and prevention of floods, the safeguarding of navigable waters, the reclamation of the public lands, and the generation, sale, and distribution of electric energy, in order to promote agriculture, to improve living conditions, to aid and protect commerce among the several States, to strengthen the national defense, to conserve the water, soil, and forest resources of the Nation, to stabilize employment and relieve unemployment, and otherwise to protect and promote the national interest.

#### CONSERVATION AUTHORITIES

SEC. 3. (a) To carry out the purposes of this act, there are hereby created the following incorporated conservation authorities, which shall be agencies and instrumentalities of the United States: (1) The Atlantic Seaboard Authority, for the drainage basins in the United States of the rivers flowing into the Atlantic Ocean and of the rivers flowing into the Gulf of Mexico, from the east, below the basin of the Suwanee River; (2) the Great Lakes-Ohio Valley Authority, for the drainage basins in the United States of the rivers flowing into or from any of the Great Lakes, the Niagara and the St. Lawrence Rivers, and of the Ohio River, except the drainage basins of the Tennessee and Cumberland Rivers, and of the rivers flowing into the Mississippi River above Cairo, Ill., from the east; (3) the Tennessee Valley Authority, for the drainage basins of the Tennessee and Cumberland Rivers, of the rivers flowing

into the Mississippi River below Cairo, Ill., from the east, and of the rivers flowing into the Gulf of Mexico east of the Mississippi River, except the rivers below the basin of the Suwanee River; (4) the Missouri Valley Authority, for the drainage basins within the United States of the Missouri River and the Red River of the North and of the rivers flowing into the Mississippi River above Cairo, Ill., from the west; (5) the Arkansas Valley Authority, for the drainage basins within the United States of the Arkansas, Red, White, and Rio Grande Rivers, of the rivers flowing into the Mississippi River below Cairo, Ill., from the west, and of the rivers flowing into the Gulf of Mexico west of the Mississippi River; (6) the Southwestern Authority, for the drainage basins within the United States of the rivers flowing into the Great Basin; that is, the drainage basins of the rivers in the western United States having no outlet to the sea; (7) the Columbia Valley Authority, for the drainage basins within the United States of the Columbia River and the rivers flowing into the Pacific Ocean north of the California-Oregon line; (8) the California Authority, for the drainage basins within the United States of the rivers flowing into the Pacific Ocean south of the California-Oregon line; and (9) the Colorado Valley Authority, for the drainage basin within the United States of the Colorado River: *Provided, however,* That nothing in this act shall be construed to limit the functions, powers, or duties of the Mississippi River Commission as created and now functioning under the act of June 28, 1879 (ch. 43, secs. 1 to 7, inclusive, 21 Stat. 37), as amended, and as compiled in sections 641 to 651, inclusive, of title 33 of the United States Code. The President shall from time to time more specifically define or redefine the territorial boundaries of the Authorities as he finds necessary or appropriate to facilitate the regional development, integration, and coordination of plans, projects, and activities as in this act provided and to obtain the advantages of natural and economic boundaries.

(b) Each Authority shall maintain its principal office at a convenient place in its respective geographic region and shall, upon the selection of the location of a principal office, file with the Secretary of State public notice of its selection of such location.

(c) Within 6 months after the enactment of this act, the Columbia Valley Authority shall take over the Bonneville project, on the Columbia River in Oregon, and all powers, rights, duties, functions, obligations, liabilities, and personnel of the Columbia River Administrator created by and now functioning under the act entitled "An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes," approved August 20, 1937, as amended. Such Administrator shall thereupon take all action necessary or appropriate to transfer to such Authority possession and control of the properties and activities of such Administrator. The Bonneville project together with all activities of such Administrator shall thereupon be deemed entrusted under this act to the Columbia Valley Authority, and all unexpended moneys and appropriations of such Administrator shall thereupon be transferred to such Authority and shall be available for expenditure by such Authority under the terms of this act; and such act of August 20, 1937, as amended, shall be deemed repealed.

(d) The Tennessee Valley Authority shall be the Tennessee Valley Authority as created and now functioning under the Tennessee Valley Authority Act of 1933, as amended, and as extended under this act, and shall have all the powers, rights, duties, and functions in such act, in this act, or in any other law provided; but nothing herein shall be construed to limit the carrying out of the purposes of the Tennessee Valley Authority

Act of 1933, as amended, or to limit the powers and rights of the Tennessee Valley Authority in respect of, or to affect the continuity of, the functions, activities, obligations, liabilities, accounts, funds, revenues, receipts, or personnel of the Tennessee Valley Authority under such act. Insofar as applicable, the provisions of the Tennessee Valley Authority Act of 1933, as amended, and any other law relating to the Tennessee Valley Authority, in addition to the provisions of this act, shall extend to the geographic region added by this act to the region of the Tennessee Valley Authority. The board of the Tennessee Valley Authority shall be the board of the Tennessee Valley Authority as now constituted, and the directors thereof shall hold office pursuant to the Tennessee Valley Authority Act, as amended. Successors to such directors shall be appointed and hold office pursuant to such act.

(e) The President is authorized, whenever in his judgment the purposes of this act and the interests of economy and efficiency will be served thereby, to transfer from any department or agency of the United States, and entrust to the appropriate authority, the control and operation of any dam (together with appurtenant works) constructed, under construction, or hereafter constructed by or on behalf of the United States. In connection with any such transfer, the President may make such provision as he deems necessary or appropriate for the transfer to such authority of unexpended balances of appropriations available for use in respect of the project, together with personnel, equipment, and any powers, duties, and obligations pertaining thereto.

#### ORGANIZATION OF THE AUTHORITIES

SEC. 4. Each authority shall be directed and controlled by an administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, except the Tennessee Valley Authority, which shall continue as at present constituted. All other officers, employees, and agents of an authority shall be appointed or designated by the Authority. The term of office of each administrator shall be 7 years. Any administrator appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. The administrative officer of each authority next highest in rank to the administrator may be designated by the administrator as deputy administrator and shall perform the duties of the administrator, in the event of the absence or sickness of the administrator, until such absence or sickness shall cease, and, in the event of a vacancy in the office of administrator, until a successor is appointed. Each administrator shall be a citizen of the United States and shall receive a salary at the rate of \$10,000 a year, to be paid by the Authority as current expenses; and each administrator shall be reimbursed by the Authority for actual expenses (including traveling and subsistence expenses) incurred by him in the performance of his duties. No administrator shall, during his continuance in office, be engaged in any other business, and each administrator shall devote himself to the work of the Authority. No administrator shall, during his continuance in office, have any financial interest in any public-utility company engaged in the business of generating, transmitting, distributing, or selling electric energy to the public, or in any holding company or subsidiary company of a holding company as such terms are defined in the Public Utility Holding Company Act of 1935. No person shall be appointed an administrator unless he professes a belief in the feasibility and wisdom of this act. Each administrator shall report to the President in such a manner as the President may direct.







# DIGEST OF CONGRESSIONAL PROCEEDINGS

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
Division of Legislative Reports  
(For Department staff only)

Issued December 22, 1947  
For actions of December 19, 1947  
80th-1st, No. 168

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**HIGHLIGHTS:** Congress completed action on appropriation bill which includes items for foreign aid, losses on surplus commodities at wheat-equivalent prices, more stringent wheat carryover, food-feed conservation program, reclamation, etc. Congress received President's European Recovery Program message. House passed Taft inflation-control measure. House passed measure authorizing USDA to publish information re commodity speculators and requiring this to be done if requested by congressional committee; President signed measure. House committee appointed to investigate commodity exchange transactions. Sen. Lodge inserted Hoover's announcement of studies to be made by Commission on Organization of Executive Branch. Sen. Barkley inserted letter from distillery denying it used excessive grain amount during food-conservation program. Both Houses adjourned sine die.

### SENATE

1. **THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948.** Passed with amendments this bill, H. R. 4748 (pp. 11801-28).

Agreed to an amendment by Sen. Hayden, Ariz., to increase from \$50,000,000 to \$65,000,000 the amount of losses which may be incurred in connection with CCC's making surplus commodities available for foreign aid at wheat-equivalent prices (\$85,000,000 had first been suggested) (pp. 11824-6); and an amendment by Sen. Vandenberg, Mich., to fix the China-aid figure at \$18,000,000 (p. 11803).

Rejected a committee amendment to reduce by \$1,000,000 the total on USDA programs to be approved by the Budget Bureau. In making the suggestion for restoration of the amount, Sen. O'Mahoney, Wyo., explained that this was for the food-feed conservation program and inserted a letter from Secretary Anderson on the subject. (pp. 11823-4.)

Several Senators discussed the Bureau of Reclamation items, and Sen. Downey, Calif., charged that the Bureau has engaged in publicity and propaganda, etc. (pp. 11816-23).

Conferees were appointed on the bill in both Houses (pp. 11828, 11832).

Later the conference report was presented and agreed to by both Houses (pp. 11843, 11834). The conferees took the following actions: Fixed the foreign-aid figure at \$540,000,000, of which \$18,000,000 is for China. Com-promised the occupied-areas item at \$340,000,000 with an understanding that under certain conditions the Army could ask for a supplemental amount. Agreed to the more stringent House provision regarding the wheat carryover. Fixed the surplus-commodities loss figure at \$57,500,000.

This bill will now be sent to the President.



2. FOREIGN AID. Both Houses received the President's message recommending a long-range European Recovery Program (pp. 11873-9)(H. Doc. 478). To Senate Foreign Relations Committee (p. 11823) and House Foreign Affairs Committee (p. 11879). The message recommends establishment of an Economic Cooperation Administration to formulate programs, working closely with the State Department and other agencies, such as the Department of Agriculture.
3. REORGANIZATION. Sen. Lodge, Mass., inserted Herbert Hoover's statement announcing personnel to be engaged in various studies for the Commission on Organization of the Executive Branch (p. 11801).
4. ECONOMIC REPORT. The interim report of the Joint Committee on the Economic Report was ordered printed as S. Rept. 809, at the request of Chairman Taft (p. 11800).  
Sen. Murray, Mont., inserted and discussed an article by Chairman Nourse of the President's Council of Economic Advisers, "The Employment Act and the Act of Employment" (pp. 11834-6).
5. GRAIN CONSERVATION. Sen. Barkley, Ky., inserted a letter from Publicker Industries, Inc., distilleries, denying that they have used an excessive amount of grain during the food conservation program; and Sen. Barkley said he is trying to get the true facts on the situation (pp. 11832-3).
6. FATS-OILS EXPORTS. Sen. O'Mahoney, Wyo., inserted a table by BAE on fats-oils exports and denied charges that such exports are increasing (pp. 11836-7).
7. PENALTY MAIL. Both Houses received from the Post Office Department a report on penalty-mail indicia on hand, procured, and mailed during the fiscal year 1947; to Senate Civil Service Committee and House Post Office and Civil Service Committee (pp. 11797, 11888).
8. ADJOURNMENT. Both Houses adjourned sine die (pp. 11843, 11888). The 2nd session of the 80th Congress is to convene on Jan. 6, 1948. Bills pending on Dec. 19 retain their legislative status at that time, do not die, and can be considered further during the 2nd session. The Joint Printing Committee announced that the last issue of the Congressional Record for the first session "will be published not later than Monday, December 29, 1947." This issue will include revised speeches, extensions of remarks, etc.

#### HOUSE

9. INFLATION CONTROL. Passed, 232-73, without amendment S. J. Res. 167, the Taft inflation-control measure (pp. 11844-62). The resolution will now be sent to the President.  
Defeated, 73-156, a motion by Rep. Monroney, Okla., to recommit the measure to the Banking and Currency Committee with instruction to amend it by authorizing the President to "issue regulations and orders" in connection with the authorization for voluntary agreements (pp. 11859, 11862).  
During the debate, Rep. Wolcott, Mich., explained the provision authorizing CCC to stimulate production of agricultural commodities in non-European foreign countries (pp. 11861-2); and gave his interpretation of the effect of deleting the provision which would have authorized voluntary agreements for livestock-poultry marketing at light weights to conserve grain (p. 11861). Reps. Hays (Ark.) and Bryson (S. C.) spoke in favor of the provision permitting allocation of grain for production of distilled and neutral spirits (pp. 11856, 11859). Rep. Murray, Wis., claimed USDA fixed a "150 percent of parity



floor price under flax" and that "This administration through voluntary agreement...has fixed a set-up whereby chickens today all through the Midwest are selling for from 50 to 60 percent of parity when the law says...not less than 90 percent" (p. 11860).

10. COMMODITY SPECULATION. Passed without amendment S. J. Res. 170, to amend the Commodity Exchange Act so as to authorize the Secretary of Agriculture, in his discretion, to make public the names and addresses of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by them; and requiring him, when requested by a congressional committee, to furnish the committee and the public such information (pp. 11864-7). This measure was later signed by the President (see Item 32).

Reps. Andresen (Minn.) (chairman), Crawford (Mich.), Buffett (Nebr.), Jenkins (Pa.), McCormack (Mass.), Rains (Ala.), and Carroll (Colo.), were appointed members of the Select Committee to investigate transactions on the commodity exchanges, pursuant to H. Res. 404 (p. 11852).

Agreed, without amendment, to H. Res. 407, providing \$25,000 for this Select Committee (p. 11863).

11. ELECTRIFICATION. Rep. Rankin, Miss., urged the development of U. S. electrical-energy resources and answered criticisms of TVA (pp. 11879-81).

12. NATURAL RESOURCES. The Public Lands Committee reported without amendment H. Res. 385, requesting the Interior Department for information on the amount of fuel oil, gasoline, other petroleum products, and coal now available in the U. S. and what steps the Government should take to make the proper and necessary supply available (H. Rept. 1231) (p. 11888).

13. FOREIGN AID. Rep. Case, S. Dak., urged tighter controls by the U. S. over the use of appropriations for foreign aid (pp. 11884-5).

#### BILLS INTRODUCED

14. PRICE CONTROLS. S. 1923, by Sen. Taylor, Idaho, to prevent further price increases and to reduce present prices to price levels consistent with a stable economy, and to allocate and control production and distribution to the extent necessary to distribute equitably commodities in short supply, and to maintain stable prices. To Banking and Currency Committee. (p. 11798.)

15. PERSONNEL. H.R. 4821, by Rep. Welch, Calif., to provide additional compensation for employees of the Federal Government and of the government of the District of Columbia. To Post Office and Civil Service Committee. (p. 11888.)

H.R. 4822, by Rep. Case, S. Dak., to amend the Veterans' Preference Act to give the wives of totally disabled veterans preference in employment where Federal funds are disbursed. To Post Office and Civil Service Committee. (p. 11888.)

16. MARKETING. H.R. 4826, by Rep. MacKinnon, Minn., to prohibit certain officers and employees of the U.S. from engaging in transactions involving contracts of sale of commodities for future delivery. To Judiciary Committee. (p. 11888.) Remarks of author (pp. A5296-7).

#### ITEMS IN APPENDIX

17. GRAINS. Extension of remarks of Rep. Kefauver, Tenn., urging prohibition of the use of grains for distilling purposes and inserting his bill on the subject, H.R. 4799 (p. A5261).



Extension of remarks of Rep. Walter, Pa., including a Washington Post editorial, urging prohibition of the use of grains for distilling purposes in view of the need for grain both here and abroad (pp. A5261-2).

18. INFLATION. Extension of remarks of Rep. Clevenger, Ohio, favoring S.J.Res.167, the Taft inflation-control measure (p. A5290).

Rep. Sanborn, Idaho, inserted a Spokane Chronicle article and a letter from John McBride, claiming that sound money is the first requisite for world economic recovery (pp. A5272-3).

Rep. St. George, N.Y., inserted a letter from the O'Sullivan Rubber Co. claiming that foreign aid is keeping prices high (p. A5281).

Rep. Edwin Arthur Hall, N.Y., inserted his recent radio address urging action to curb inflation (p. A5297).

Rep. Klein, N.Y., criticized as inadequate the Taft inflation-control measure (pp. A5298-9).

Extension of remarks of Rep. Vursell, Ill., claiming that the "action of the President and his policies of urging wage raises and exporting so much of everything out of the country are the real causes of present high prices" (pp. A5294-6).

Extension of remarks of Rep. Douglas, Calif., calling attention to Walter Reuther's Challenge for corporations to apply their profits to cut prices (p. A5284).

19. COMMITTEES. Rep. Peterson, Fla., inserted E.A. Alexander's statement on the rights of congressional committees (pp. A5231-2).

20. ELECTRIFICATION. Rep. Dondoro, Mich., inserted a letter from the Southern California Edison Co. calling attention to the part the company played in building transmission lines from the Hoover Dam to Los Angeles, Calif. (pp. A5252-3).

21. EXTENSION WORK; RESEARCH. Rep. Jones, Ala., inserted a letter from the Ala. Extension Service explaining how the TVA cooperates in the work of the Ala. Extension Service and Experiment Station (p. A5289).

22. RECLAMATION. Extension of remarks of Rep. Horan, Wash., urging the development of reclamation projects in the west as "an essential prerequisite to the performance of our world recovery commitments," and including correspondence between himself and the Bureau of Reclamation (pp. A5244-7).

23. RESEARCH. Sen. Knowland, Calif., inserted E.U. Condon's (Director, Bureau of Standards) recent address, "Science and the National Welfare" (pp. A5250-2).

24. RUBBER. Rep. Curtis, Nebr., inserted his recent statement discussing the foreign trade agreements concerning rubber, in view of the need for maintaining the synthetic rubber program (pp. A5255-7).

25. HEALTH. Sen. Murray, Mont., inserted a Washington Star article favoring the National Health Insurance bill (pp. A5260-1).

26. FOREIGN AID. Various articles and insertions on foreign aid (pp. A5235-6, A5236-7, A5250, A5253, A5254, A5257-9, A5270, A5291-4).

27. HOUSING. Extension of remarks of Rep. Multer, N.Y., favoring the Taft-Ellender-Wagner housing bill (p. A5284).

28. EMERGENCY POWERS. Extension of remarks of Rep. Jones, Wash., claiming that there is danger in conferring authority to regulate exports on a price basis (p. A5280).

80TH CONGRESS  
1ST SESSION

# H. RES. 412

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 1947

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

DECEMBER 19, 1947

Considered and agreed to

---

## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into  
3 the Committee of the Whole House on the State of the Union  
4 for the consideration of the joint resolution (S. J. Res. 167)  
5 to aid in the stabilization of commodity prices, to aid in  
6 further stabilizing the economy of the United States, and  
7 for other purposes, and all points of order against the said  
8 joint resolution are hereby waived. That after general debate,  
9 which shall be confined to the joint resolution and continue  
10 not to exceed one hour, to be equally divided and controlled  
11 by the chairman and ranking minority member of the Com-  
12 mittee on Banking and Currency, the joint resolution shall



1 be considered as having been read for amendment. No  
2 amendment shall be in order to said joint resolution except  
3 amendments offered by direction of the Committee on Bank-  
4 ing and Currency, and said amendments shall be in order,  
5 any rule of the House to the contrary notwithstanding.  
6 Amendments offered by direction of the Committee on Bank-  
7 ing and Currency may be offered to any section of the joint  
8 resolution at the conclusion of the general debate, but such  
9 amendments shall not be subject to amendment. At the con-  
10 clusion of the consideration of the joint resolution for amend-  
11 ment, the Committee shall rise and report the same to the  
12 House with such amendments as may have been adopted, and  
13 the previous question shall be considered as ordered on the  
14 joint resolution and amendments thereto to final passage  
15 without intervening motion except one motion to recommit.





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## RESOLUTION

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Providing for the consideration of S. J. Res. 167, to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

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By Mr. ALLEN of Illinois

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DECEMBER 18, 1947

Referred to the House Calendar and ordered to be printed

DECEMBER 19, 1947

Considered and agreed to

### THIRD SUPPLEMENTAL APPROPRIATION ACT, 1948—CONFERENCE REPORT

Mr. BRIDGES. Mr. President, I submit the conference report on House bill 4748, the Third Supplemental Appropriation Act, 1948, and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The conference report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4748) making Supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6 and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 9, and 10; and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "\$522,000,000, and to enable the President to carry out the provisions of Public Law 84, in respect to China, \$18,000,000; in all, \$540,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$57,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$340,000,000"; and the Senate agree to the same.

STYLES BRIDGES,  
C. WAYLAND BROOKS,  
CLYDE M. REED,  
JOSEPH H. BALL,  
CARL HAYDEN,  
ELMER THOMAS,

*Managers on the Part of the Senate.*

JOHN TABER,  
R. B. WIGGLESWORTH,  
ALBERT J. ENGEL,  
FRANCIS CASE,  
FRANK B. KEEFE,  
CHARLES A. PLUMLEY,  
CLARENCE CANNON,  
JOHN H. KEER,  
GEORGE H. MAHON,

*Managers on the Part of the House.*

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. McCARRAN. I wonder if the Senator from New Hampshire would mind giving us just a word of explanation.

Mr. BRIDGES. Mr. President, in general the conferees agreed as follows: On the large item of foreign aid the amount agreed upon for Europe was \$522,000,000, which is contrasted with

the Senate figure of \$550,000,000 and the House figure of \$509,000,000, plus \$18,000,000 for China, or a total figure of \$540,000,000, as contrasted with the figure of \$568,000,000 agreed to earlier today by the Senate.

Then, for the item of the Army's expenses in the occupied areas, which was the other large item, the House appropriated \$230,000,000. The Senate provided \$490,000,000. One of the two items in controversy was the amount for the British zone. The House had previously allowed \$160,000,000, telling the Army that if they could come back and justify more, they might do so. On that item the conferees agreed on \$137,000,000, with instructions that the department, if they work out an agreement with Great Britain and can justify the item, may come back and request up to \$100,000,000 more for inclusion in a future deficiency bill.

The other disputed item was a pipeline agreement, which the House disallowed—\$123,000,000 for a pipe line that would continue on after June 30 for 2 months, for aid to occupied areas. They disallowed it entirely. We got a restoration of \$73,000,000 of the \$123,000,000, with an agreement that the Army could come back and justify anything up to the \$123,000,000 in the months ahead, and that the Congress would consider it. Therefore, I think we have protected the occupied areas rather effectively by those agreements.

In regard to the only other major item, the carry-over of wheat, the Senate provision was a compromise on 150,000,000 bushels, with the proviso that if after a certain date the President found the wheat crop was sufficient to warrant it, the carry-over could be reduced to 125,000,000 bushels. We left it at straight 150,000,000.

On the amendment respective the Federal courts having jurisdiction over the petition of either party to interpret by decree any contracts for performance of work, for which the appropriation may be used, we yielded on that, because of very strong opposition by the House, which made it impossible to get a compromise agreement.

On several of the minor amendments they yielded to us. On the figure of the surplus items of the losses incurred by agencies of the Government through sales of commodities in accordance with the terms of subsection (e) of Section 11, the Foreign Aid Act of 1947, the Senate figure was \$65,000,000, the House figure was \$50,000,000, and the figure agreed on was a split, \$57,500,000. Those are the essential items.

Mr. McCARRAN. Did the reclamation items stand as they were?

Mr. BRIDGES. The reclamation items stand.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MORSE. I understand that the reclamation item so ably presented by the Senator from Washington [Mr. MAGNUSON] and the senior Senator from Oregon [Mr. CORDON] late today, went

through as recommended by those two Senators.

Mr. BRIDGES. It did.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

### ADJOURNMENT SINE DIE

The President pro tempore laid before the Senate House Concurrent Resolution 127, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring), That notwithstanding the provisions of Senate Concurrent Resolution 33, Eightieth Congress, the two Houses of Congress shall adjourn on Friday, December 19, 1947, and that when they adjourn on said day, they stand adjourned sine die.*

### AUTHORIZATION FOR SIGNING OF BILLS AND JOINT RESOLUTIONS

The President pro tempore laid before the Senate House Concurrent Resolution 128, which was read, considered by unanimous consent, and agreed to, as follows:

*Resolved by the House of Representatives (the Senate concurring), That notwithstanding the adjournment of the first session of the Eightieth Congress, the Speaker of the House of Representatives and the President pro tempore of the Senate be, and they are hereby, authorized to sign enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.*

### AUTHORIZATION FOR MAKING CERTAIN APPOINTMENTS AND RECEIVING MESSAGES

On motion of Mr. WHITE, it was—

*Ordered, That notwithstanding the final adjournment of the present session of the Congress, the President pro tempore be, and he is hereby, authorized to make appointments to commissions or committees authorized by law, by concurrent action of the two Houses, or by order of the Senate.*

*Ordered further, That the Secretary of the Senate be, and he is hereby, authorized to receive messages from the House of Representatives subsequent to the adjournment of the present session.*

### SUMMARY OF LEGISLATION OF THE SESSION

Mr. WHITE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a summary, which has been prepared by the senior Senator from Ohio [Mr. TAFT], of legislation passed by the Congress during the special session of the Eightieth Congress.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

[The summary will appear hereafter in the Appendix.]

### ADJOURNMENT SINE DIE

Mr. WHITE. Mr. President, I know of no further business to come before the Senate, and in accordance with the terms of House Concurrent Resolution 127, which was agreed to a moment ago, I move that the Senate stand adjourned sine die.

The motion was agreed to; and (at 7 o'clock and 17 minutes p. m.) the Senate adjourned sine die.



# House of Representatives

FRIDAY, DECEMBER 19, 1947

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou desire of the nations, whose coming the prophets foretold, as we stand in the foreglow of Thy lowly birth, we pray that we may find the time for communion, meditation, and prayer, for these lead to the wells of peace. Bless us with courage that knows no faltering, with prudence that never wearies. Extend Thy shielding arms about our President, our Speaker, and all Members and employees of the Congress. May no plague come nigh their dwellings. Grant that they may enjoy the blessings of today, and after a while the bliss of eternal years.

As the springs of happiness are renewed within us, we thank Thee for the loveliness of our own fair land. O forgive America's indulgence and complacency; let the choicest gifts of Thy mercy be upon her. O Star of the East, once again climb the midnight sky and again bless the world with the glad news of a Saviour born. In His holy name we pray. Amen.

## THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 170. Joint resolution authorizing the Secretary of Agriculture to publish the names and addresses of persons transacting business on the boards of trade and the amounts of commodities purchased or sold by them, to furnish to committees of Congress upon request and to make public any such information in his possession, and for other purposes.

## COMMUNICATION FROM THE CLERK

The SPEAKER laid before the House the following communication, which was read by the Clerk:

DECEMBER 19, 1947.

The Honorable the SPEAKER,

House of Representatives.

SIR: Pursuant to the authority heretofore granted, the Clerk of the House received from the Secretary of the Senate on December 18, 1947, the engrossed resolution (S. J. Res. 167) entitled "Joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes," attested by the Secretary as having been passed by the Senate on December 18, 1947.

Very truly yours,

JOHN ANDREWS,

Clerk of the House of Representatives.

## EXTENSION OF REMARKS

Mr. DONDERO asked and was granted permission to extend his remarks in the Appendix in two instances, one on Gen-

eral Wedemeyer, and in the other to include a letter relative to Hoover Dam.

Mr. BRAMBLETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a speech given before the California State Chamber of Commerce by WILLIAM F. KNOWLAND, United States Senator from California.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. SMITH of Ohio asked and was granted permission to extend his remarks in the Appendix of the RECORD.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. SMITH of Ohio addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. BUFFETT asked and was granted permission to extend his remarks in the RECORD in two instances and include some editorial matter.

Mr. VURSELL asked and was granted permission to extend his remarks in the RECORD in two instances.

Mr. HESELTON asked and was granted permission to extend his remarks in the RECORD in three instances and to include certain reports and correspondence.

Mr. O'TOOLE asked and was granted permission to extend his remarks in the RECORD.

Mr. PRICE of Illinois asked and was granted permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the New York Times and in the other an editorial from the East St. Louis Journal.

Mr. PETERSON asked and was granted permission to extend his remarks in the RECORD and include a letter from Capt. James Patrick McGovern and a newspaper clipping.

Mr. BARTLETT asked and was granted permission to extend his remarks in the RECORD and include two letters and an editorial.

Mr. LANE asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. DAVIS of Georgia asked and was granted permission to extend his remarks in the RECORD in two instances.

Mr. BRYSON asked and was granted permission to extend his remarks in the RECORD and include some telegrams regarding the acute oil shortage.

## STABILIZATION OF COMMODITY PRICES

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 412, making in order Senate Joint Resolution 167, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, and all points of order against the said joint resolution are hereby waived. That after general debate, which shall be confined to the joint resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the joint resolution shall be considered as having been read for amendment. No amendment shall be in order to said joint resolution except amendments offered by direction of the Committee on Banking and Currency, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Banking and Currency may be offered to any section of the joint resolution at the conclusion of the general debate, but such amendments shall not be subject to amendment. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

## CALL OF THE HOUSE

Mr. SMITH of Ohio. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Obviously there is no quorum present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 150]

Allen, La.	Colmer	Fulton
Andresen,	Corbett	Gallagher
August H.	Coudert	Gavin
Andrews, Ala.	Courtney	Gille
Andrews, N. Y.	Cox	Gossett
Barden	Crosser	Grant, Ala.
Bates, Ky.	Davis, Tenn.	Gregory
Bell	Dawson, Ill.	Griffiths
Bennett, Mo.	Deane	Hartley
Bland	Delaney	Hébert
Bloom	D'Ewart	Heffernan
Boggs, La.	Dirksen	Hendricks
Brooks	Dolliver	Hinshaw
Buckley	Domengeaux	Hoeven
Busbey	Dorn	Jackson, Calif.
Butler	Douglas	Jarman
Byrne, N. Y.	Drewry	Javits
Chapman	Engle, Calif.	Jenkins, Pa.
Clements	Fernandez	Johnson, Okla.
Clippinger	Fisher	Jones, Ala.



Kefauver	Preston	Sikes
Kelley	Price, Fla.	Smith, Kans.
Kennedy	Rabin	Smith, Wis.
Keogh	Rains	Somers
Kilburn	Reed, Ill.	Stanley
Kunkel	Reed, N. Y.	Stigler
Ludlow	Richards	Stratton
McDonough	Rivers	Taylor
Mitchell	Rizley	Thomas, N. J.
Morrison	Rooney	Towe
Norblad	Sabath	Trimble
O'Hara	Sadowski	Vall
Patterson	Scoblick	West
Pfeifer	Scott	Wilson, Ind.
Philbin	Hugh D., Jr	Wolverton
Potts	Shafer	Zimmerman
Powell	Short	

The SPEAKER. On this roll call 323 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

#### STABILIZATION OF COMMODITY PRICES

The SPEAKER. The gentleman from Illinois [Mr. ALLEN] is recognized for 1 hour.

(Mr. ALLEN of Illinois asked and was granted permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, of course we all know that the Senate passed this bill at 8 to 1 ratio, and there is no question but that this House will pass it about 8 or 10 to 1 ratio, because we all know that if we do not pass this bill there just cannot be any bill passed at this session.

We have brought in a closed rule and we will hear considerable about closed rules today. I want you new Members especially to listen, because of the fact we are going to hear so much about a gag rule. To you new Members let me say this is not the first closed rule that has ever come before the Congress. In preparation for this claim of gag rule, I have compiled a list of the closed rules, similar to the one we are offering today, that were brought out by the majority side since I have been a member of the Rules Committee. I am not going to read all these but will insert them as part of my remarks at this point for your information.

#### CLOSED RULES IN HOUSE OF REPRESENTATIVES, 1933-46

##### SEVENTY-THIRD CONGRESS, FIRST SESSION, 1933

1. Agricultural Adjustment Act (H. R. 3835): House Resolution 61 waived all points of order, limited general debate to 4 hours, and provided that after such debate "the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit." Rule agreed to March 21, 1933. (CONGRESSIONAL RECORD, vol. 77, pt. 1, pp. 665-671.) The AAA passed the House on a roll-call vote, 315 to 98, March 22, 1933.

2. Emergency Farm Mortgage Act of 1933 (H. R. 4795): House Resolution 103 waived all points of order, provided for 8 hours of general debate and that no amendment should be in order "except amendments offered by direction of the Committee on Agriculture." Such amendments were not subject to amendment and after Committee rose and reported bill "the previous question shall be considered as ordered in the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit." Rule agreed to April 11, 1933, on a decision vote, 178 to 19, after the

previous question was voted on a roll call, 254 to 130. (CONGRESSIONAL RECORD, vol. 77, pt. 2, pp. 1494-1502.) The bill passed the House on April 13, 1933, on a roll call, 387 to 12.

3. Arms and munitions embargo (H. J. Res. 93): House Resolution 101 waived all points of order, limited general debate to 4 hours, and provided that after such debate "the previous question shall be considered ordered on the joint resolution to final passage without intervening motion except one motion to recommit." Rule agreed to April 13, 1933. (CONGRESSIONAL RECORD, vol. 77, pt. 2, pp. 1182-1694.) The resolution passed the House on April 17, 1933, on a roll call, 254 to 109.

4. Tennessee Valley Authority Act (H. R. 5081): House Resolution 111 waived all points of order, provided for 6 hours' general debate, permitted amendments offered by Committee on Military Affairs. If no such amendments, "then the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit." Rule agreed to April 22, 1933. (CONGRESSIONAL RECORD, vol. 77, pt. 2, pp. 2176-2181.) The TVA Act passed the House on April 25, 1933, on a roll call, 306 to 92.

5. St. Lawrence waterway (providing for use of waters for power purposes by New York State) (H. J. Res. 157): House Resolution 112 waived points of order, limited general debate to 1 hour, and provided that after such debate "the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except one motion to recommit." Rule agreed to April 25, 1933. (CONGRESSIONAL RECORD, vol. 77, pt. 3, pp. 2348-2357.) House passed the joint resolution April 26, 1933, by voice vote after motion to recommit was rejected, 224 nays to 171 yeas.

6. Independent offices appropriation bill (H. R. 5389): House Resolution 128 waived all points of order, provided 6 hours of general debate, permitted amendments under the 5-minute rule except that no amendments would be in order on sections 4 through 17 (certain economy provisions) except amendments ordered by Committee on Appropriations. Only one motion to recommit authorized. Rule agreed to May 8, 1933, on a roll call, 202 to 156. (CONGRESSIONAL RECORD, vol. 77, pt. 3, pp. 3031-3037.) The act passed the House on May 12, 1933, on a roll call, 250 to 117.

7. Sale of securities (First Securities Act) (H. R. 5480): House Resolution 130 waived all points of order, provided for general debate of 5 hours; no amendments to be permitted except offered by direction of the Committee on Interstate Commerce, and previous question ordered without intervening motion except one motion to recommit. Rule agreed to May 5, 1933. (CONGRESSIONAL RECORD, vol. 77, pt. 3, pp. 2910-2916.) The Securities Act was passed May 5, 1933, by voice vote.

8. National Industrial Recovery Act (H. R. 5755): House Resolution 160 waived all points of order, limited general debate to 6 hours, restricted amendments to those offered by direction of the Committee on Ways and Means and such amendments were not subject to amendment, ordered previous question on final passage without intervening motion except one motion to recommit. Rule agreed to May 25, 1933, on roll call, 209 to 187. (CONGRESSIONAL RECORD, vol. 77, pt. 4, pp. 4188-4198.) The NIRA Act passed the House on May 26, 1933, on a roll call, 325 to 76.

#### SECOND SESSION, 1934

1. Independent offices appropriation bill for 1935 (H. R. 6663): House Resolution 217 waived all points of order on title II (economy provisions) and provided that no amendments to strike out shall be in order to such title except amendments or motions to strike

out offered by direction of the Committee on Appropriations. Furthermore "amendments shall not be in order to any other section of the bill, H. R. 6663, or to any section of any general appropriation bill of the Seventy-third Congress which would be in conflict with the provisions of title II of the bill, H. R. 6663, as reported to the House, except amendments offered by direction of the Committee on Appropriations, and said amendments shall be in order, any rule of the House to the contrary notwithstanding." Rule agreed to January 11, 1934, on a roll call, 197 to 192. (CONGRESSIONAL RECORD, vol. 78, pt. 1, pp. 480-512.) The bill passed the House on January 12, 1934, by voice vote after a vote to recommit was rejected, 240 nays to 141 yeas.

2. Revenue Act of 1934 (H. R. 7835): House Resolution 266 waived all points of order, authorized 16 hours of general debate, and provided that no amendment should be in order except amendments offered by direction of Committee on Ways and Means. Previous question ordered without intervening motion except one motion to recommit, with or without instructions. Rule agreed to February 14, 1934, on a roll call, 241 to 154. (CONGRESSIONAL RECORD, vol. 78, pt. 3, pp. 2503-2509.) The bill passed the House on February 21, 1934, on a roll call, 390 to 7.

#### SEVENTY-FOURTH CONGRESS, FIRST SESSION, 1935

1. Four billion and eight hundred million dollars work relief appropriation bill (H. J. Res. 117): House Resolution 65 waived all points of order, limited general debate to 3 hours, and restricted amendments to those offered by direction of the Committee on Appropriations and such amendments not subject to amendment. Previous question ordered on resolution to final passage without intervening motion except one motion to recommit, with or without instructions. Rule agreed to January 23, 1935, on a roll call, 249 to 147. (CONGRESSIONAL RECORD, vol. 79, pt. 1, pp. 812-818.) The bill passed the House on January 24, 1935, on a roll call, 329 to 78.

2. Extension of title I of NIRA Act (S. J. Res. 113): House Resolution 256 provided that the resolution with the Senate amendments to the House amendments be taken from the Speaker's table and that the Senate amendments be agreed to. Rule agreed to June 14, 1935, on a roll call, 336 to 31. (CONGRESSIONAL RECORD, vol. 79, pt. 9, pp. 9311-9318.)

#### SECOND SESSION, 1936

1. Merchant Marine Act of 1936 (H. R. 8555): House Resolution 557 provided that the bill and the Senate amendments be taken from the Speaker's table and that the Senate amendments be agreed to. Rule agreed to June 20, 1936, on division vote 225 to 21. (CONGRESSIONAL RECORD, vol. 80, pt. 10, pp. 10568-10576.)

2. Blue Ridge Parkway (H. R. 12455): House Resolution 559 provided that the bill shall be considered as having been engrossed and read a third time, "and the House shall immediately proceed to vote upon the passage of said bill without any intervening motion except one motion to recommit, with or without instructions." Rule agreed to June 20, 1936, on a roll call, 146 to 139. (CONGRESSIONAL RECORD, vol. 80, pt. 10, pp. 10611-10614.) The bill was then passed 145 to 131. It had previously failed passage under suspension of the rules.

#### SEVENTY-FIFTH CONGRESS

None.

#### SEVENTY-SIXTH CONGRESS, FIRST SESSION, 1939

1. Townsend old-age pension bill (H. R. 6466): House Resolution 205 waived all points of order against the bill, limited debate to 4 hours, and shut off the privilege of amendment by anyone by providing that following debate "the Committee shall rise and report



the bill to the House and the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit." Agreed to (roll-call vote refused) on a division demanded by Mr. TABER, ayes 221, noes 53. May 31, 1939. (CONGRESSIONAL RECORD, vol. 84, pt. 6, pp. 6293, 6367.) On June 1, 1939, the House defeated the Townsend bill, 302 nays to 97 yeas.

2. Amendment to the Fair Labor Standards Act of 1938 (H. R. 5435, the Norton bill): House Resolution 289 waived points of order against the bill, limited debate to 3 hours, and provided that after the reading of the first section of the bill "it shall be in order to move to strike out all after the enacting clause and insert as a substitute the text of the bill H. R. 7349 (Ramspeck bill) and all points of order against such substitute are hereby waived. It shall also be in order to consider without the intervention of any point of order the text of the bill H. R. 7133 (Borden bill) as a substitute for the text of the substitute containing the language of the bill H. R. 7349. No amendments shall be in order to the two substitute amendments herein authorized except one amendment proposing to strike out the word 'not' in line 20 on page 4 of the text of H. R. 7133. At the conclusion of the consideration of the bill H. R. 5435 the Committee shall rise and report the bill adopted and the previous question shall be considered as ordered on the bill and amendments thereto in final passage without intervening motion, except one motion to recommit, with or without instructions." Referred to the House Calendar August 2, 1939. (CONGRESSIONAL RECORD, vol. 84, pt. 10, pp. 10850, 10873.) The Democratic leadership did not call the rule up for consideration and vote.

## SECOND SESSION, 1939

None.

## THIRD SESSION, 1940

1. 1940 Extension of Sugar Act of 1937 (H. R. 9654): House Resolution 515 waived all points of order against the bill, limited debate to 1 hour and provided that after debate no amendments would be in order "except amendments proposing the extension of any of the provisions of section 207 of the Sugar Act of 1937." Agreed to June 20, 1940. (CONGRESSIONAL RECORD, vol. 86, pt. 7, p. 7806; pt. 8, p. 8720.) Extension act passed the House without roll-call vote on June 20, 1940.

2. Revenue bill of 1940 (H. R. 10039): House Resolution 518 waived all points of order against the bill, limited general debate to 6 hours, and forbade any amendments except those offered by direction of the Committee on Ways and Means, said amendments not to be subject to amendment. Agreed to June 11, 1940. (CONGRESSIONAL RECORD, vol. 86, pt. 7, pp. 7959, 7966.) Revenue bill passed the House, 396 to 6, on June 11, 1940.

## SEVENTY-SEVENTH CONGRESS, FIRST SESSION, 1941

1. Revenue Act of 1941 (H. R. 5417): House Resolution 279 waived points of order and provided that after general debate not to exceed 3 days, "no amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means \* \* \* said amendments shall not be subject to amendment." Laid on table, July 30, 1941. (See H. Res. 280.) (CONGRESSIONAL RECORD, vol. 87, pt. 6, pp. 6369, 6487.)

2. Revenue Act of 1941 (H. R. 5417): House Resolution 280 waived points of order and provided that after general debate not to exceed 3 days, "no amendment shall be in order to said bill except one amendment proposing to strike out section 111 (mandatory joint returns) and except amendments offered by direction of the Committee on Ways and Means \* \* \* but such amendments shall not be subject to amendment." Agreed to, roll call vote, yea 204, nay 167, July 30, 1941. (CON-

GRESSIONAL RECORD, vol. 87, pt. 6, pp. 6459, 6465.) On August 4, the mandatory joint return provision (section 111) was voted down 243 to 159 and the bill then passed 369 to 30.

## SECOND SESSION, 1942

1. Revenue bill of 1942 (H. R. 7378): House Resolution 522 waived points of order, limited debate to 3 days, and forbade any amendments except those offered by direction of the Committee on Ways and Means. Agreed to July 16, 1942. (CONGRESSIONAL RECORD, vol. 88, pt. 5, pp. 6197, 6261.) The House passed the bill 395 to 2 on July 20, 1942.

## SEVENTY-EIGHTH CONGRESS, FIRST SESSION, 1943

1. Revenue Act of 1943 (H. R. 3687): House Resolution 360 waived all points of order and provided that after general debate not to exceed 2 days, "no amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means \* \* \* but such amendments shall not be subject to amendment \* \* \* the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit. The resolution was agreed to November 24, 1943. (CONGRESSIONAL RECORD, vol. 89, pt. 8, pp. 9907-10.) The bill with committee amendments passed the House November 24, 1943.

## SECOND SESSION, 1944

1. Individual Income tax bill of 1944 (H. R. 4646): House Resolution 524 waived all points of order, limited general debate to 2 days, and provided that no amendment shall be in order except those offered by direction of the Committee on Ways and Means, and these amendments not subject to amendment. The previous question was ordered on the bill without intervening motion except one motion to recommit. The resolution was agreed to May 3, 1944. (CONGRESSIONAL RECORD, vol. 90, pt. 3, pp. 3968-3973.) The bill passed House on May 5, 1944 by a roll call vote, 358 to 0.

## SEVENTY-NINTH CONGRESS, FIRST SESSION, 1945

1. Reconversion revenue bill of 1945 (H. R. 3633): House Resolution 311 waived all points of order, limited general debate to 4 hours, and permitted only one amendment, one that "will make the \$25,000 credit against excess-profits tax a credit against 1945 income and a proportionate amount of 1945 income for corporations reporting on a basis of a fiscal year." Previous question ordered and only one motion to recommit permitted. Rule agreed to July 5, 1945, on a roll call, 211 to 131. (CONGRESSIONAL RECORD, vol. 91, pt. 6, pp. 7239-7247.) House passed bill on July 6, 1945, on a roll call, 246 to 91.

2. Revenue bill of 1945 (H. R. 4309): House Resolution 368 waived all points of order, restricted general debate to 4 hours, restricted amendments to those offered by the Ways and Means Committee and provided that after consideration of bill for amendment the previous question was ordered to final passage without intervening motion except one motion to recommit. Rule agreed to October 11, 1945. (CONGRESSIONAL RECORD, vol. 91, pt. 7, pp. 9602-9610.) Bill passed the House October 11, 1945, on a roll call, 343 to 10.

## SECOND SESSION, 1946

1. Social Security Act amendments (H. R. 7037): House Resolution 710 waived all points of order, limited general debate to 1 hour and limited amendments to those offered by Ways and Means Committee. At conclusion of committee action and rising the previous question shall be considered as ordered on final passage without intervening motion except one motion to recommit. Rule agreed to July 24, 1946. (CONGRESSIONAL RECORD, July 24, 1946, pp. 9961-9971.) The bill passed the House on July 24, 1946, without a roll-call vote.

Mr. Speaker, we are going to hear so much about the gag rule that many of

the new Members will feel that this is the first one we have ever had since the beginning of parliamentary government in this country. I will say that I do not like closed rules, but it was either a closed rule which did not permit the offering of amendments—for amendments would necessitate a conference with the other body and this would mean no bill—it was either a closed rule or no bill. As I say, we are going to hear plenty about it but on final passage you will find at least 10 Members of this House will vote for this bill to every 1 who votes against it.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. KEATING. As a new Member I wanted to inquire whether when the minority brought in these closed rules, the present minority, the rules were brought in on the last day of the session or earlier.

Mr. ALLEN of Illinois. They were brought in at all time, not the last day of the session but at any time they wanted to, as the gentleman will find when he reads the RECORD tomorrow. The New Deal party from 1933 to 1947 brought in rules throughout the entire session.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. VAN ZANDT. Is it not true that during the period leading up to World War II we were faced with one gag rule after another?

Mr. ALLEN of Illinois. That is true.

Mr. VAN ZANDT. Based on the necessity of meeting the emergency.

Mr. ALLEN of Illinois. That is true; and further than that I may say that I was called upon to vote on many bills that were not even printed where one could not even cross a "t" or dot an "i." That was back in 1933.

Mr. COLE of Missouri. Was not that also true of legislation brought in during the railroad strike when the President came here one afternoon and we voted a rule for consideration of a bill that had not been submitted to the Congress and we had to take it or leave it?

Mr. ALLEN of Illinois. The gentleman is correct.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. RANKIN. In order to remind many of what we call the freshmen of the House, I desire to say that that rule prevailed and that practice prevailed during the Harding administration, during the Coolidge administration, and during the Hoover administration. It is not a question of a gag rule, it is a question of what is in the legislation.

Mr. ALLEN of Illinois. I thank the gentleman. I may say that the gentleman from Mississippi was here long before the gentleman from Illinois.

Mr. RANKIN. The average Member of the House does not want to be gagged on a measure he is against, but he does not mind being gagged on a measure he is for.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.



Mr. HALLECK. Is it not true that in this situation today if changes are made in the measure this in all probability would require the measure's going to conference and likely mean the end of the legislation?

Mr. ALLEN of Illinois. That definitely is correct.

Mr. HALLECK. Is it not also true that under this procedure the minority, of course, has the right to offer a motion to recommit in which they can state their position?

Mr. ALLEN of Illinois. Most certainly.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. McCORMACK. Is it not also true that under the rules of the House when a rule is reported the minority cannot be denied the right to offer a motion to recommit?

Mr. ALLEN of Illinois. I would say that my distinguished friend, the gentleman from Massachusetts, well remembers when he was majority leader—

Mr. McCORMACK. But I asked if there was not always an agreement about the motion to recommit in order to get all aspects of the legislation in? When a rule is reported out under the rules the right of the minority to offer a motion to recommit cannot be taken away, even by the Rules Committee; is that not correct?

Mr. ALLEN of Illinois. I may say that the gentleman from Massachusetts was always fair when he was majority leader but he also knew where he was going at all times.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. As a matter of fact, it has been the custom and the policy to always recognize the minority's right, but the House may adopt any rule that it wishes, even including a rule doing away with minority rights.

Mr. RANKIN. The only way in the world you could shut the minority out from a motion to recommit would be to pass the bill under suspension of the rules, which the Republicans tried the other day and failed.

Mr. McCORMACK. It could be done also by unanimous consent. But the rights of the minority cannot be taken away under the rules. The rules of the House provide for protection of the minority's rights. Those rights can only be taken away by consideration under suspension of the rules.

Mr. ALLEN of Illinois. The gentleman from Massachusetts is a past master in regard to doing the thing we are attempting to do today.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Michigan.

Mr. MICHENER. As a matter of fact, the rules of the House are made by the House. When the House made the rules it recognized that there were occasions when the general rules of the House would not serve the best interests of the country. So the rules provide that when such an occasion does arise it shall be

within the power of the House itself, not the Rules Committee, to make the change. Therefore the Rules Committee should not be criticized. It simply submits to the House a rule, under the rules of the House, permitting the House to work its will. A majority of the Representatives of the people will decide.

Mr. ALLEN of Illinois. That is correct.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Will the gentleman tell the House whether or not the language on page 2, lines 10, 11, and 12, covers agricultural commodities?

Mr. ALLEN of Illinois. I would like to have the chairman of the Banking and Currency Committee answer that question, if he will.

Mr. WOLCOTT. I did not hear the gentleman's question.

Mr. CRAWFORD. The inquiry is whether or not the language on page 2 of the bill, lines 10, 11, and 12, covers agricultural commodities?

Mr. WOLCOTT. No. I call the gentleman's attention to the fact that the provision which is found in subsection 2 of section 2 of House Joint Resolution 273 provided that the President is authorized to consult with representatives of industry, business, and agriculture, looking to agreements providing for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain. That provision was in Senate Joint Resolution 167 when it was introduced, but the Senate committee deleted it. The Senate accepted the amendment deleting it. Because of that action the provisions of subsection 2 as contained in the bill which is before us would not be in any way interpreted to include livestock and poultry.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Michigan.

Mr. HOFFMAN. When this matter was before the House the other day under suspension of the rules, I was one of 26 Republicans who deserted my leadership to vote with my Democratic friends over on the other side. I do not like these closed rules, these gag rules, but it certainly is pathetic to hear the gentleman from Massachusetts [Mr. McCORMACK] get up and cry about it, because we all remember well when he was majority leader, and when the gentleman from Texas [Mr. RAYBURN] was in the chair, an occasion when a bill was not even printed, in the first instance it was not even typewritten, passed the House because we had to take it. It was rammed right down our necks.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. McCORMACK. Of course, my friend from Michigan is, as usual, wrong.

Mr. KNUTSON. No; he is not wrong.

Mr. McCORMACK. Now, you keep out of this. The gentleman from Massachusetts never cries, and the observation the gentleman from Massachusetts made, which the distinguished Chairman of the Committee on Rules knows, was

on the question of taking away the power of minority to recommit that could not be taken away under a rule. That was our colloquy, was it not? So, my friend, as usual, rambles in the realms that no other human mind could visualize.

Mr. HOFFMAN. The gentleman, for once, is right. I cannot follow him in his rambling. As usual, his memory is nonexistent.

Mr. ALLEN of Illinois. I will say to the gentleman from Massachusetts, he does not cry, and I am certain we are not going to have any crying here today about a closed rule.

Mr. LEMKE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from North Dakota.

Mr. LEMKE. I have been informed that two wrongs never make a right, and I wonder if two gag rules make it a good one.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman yield?

Mr. RANKIN. I cannot let go unchallenged the statement, I believe made by the gentleman from Michigan, that under the provisions of this bill, beginning with line 10, page 2, agricultural commodities and livestock and livestock products could not be affected, because it says "providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production."

Now, I cannot see why that could not be made to apply to livestock, grain, or dairy products, or to any other farm products.

Mr. ALLEN of Illinois. I will say to the gentleman that the gentleman from Michigan will go into that when we go into the resolution itself.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from New York.

Mr. MULTER. Can the gentleman tell us in how many of the 39 instances he referred to were bills brought before the House without having been heard before the committee, without hearings, and in the form in which it was submitted?

Mr. ALLEN of Illinois. I would say that since I have been a Member of Congress that many times a bill has been brought in when it was not even printed. Talk about hearings! They were not even printed.

Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK. Mr. Speaker, I always have been an admirer of good English. I like to read it when it moves along smoothly and forcefully to its conclusion. In my long years of experience as a lawyer I sometimes had the satisfaction of using language that I knew had those qualities to such an extent as to put my client on sound ground legally. From that angle I greatly admire the resolution under consideration. I congratulate its author. He had a good grip



on his pen when he wrote this resolution. It is so skillfully written as by comparison to make the always graphic language of Winston Churchill seem almost obscure and confusing.

This is not just a closed rule. It is shut; shut bang tight. I do not know that this is a very good moment in which to engage in a historical discussion about what has heretofore been done. And I shall not do so. I know that the Democrats have, in times past, brought in some closed rules and maybe some bills that were a little damp, but that occurred, I would respectfully remind the gentlemen, following some 12 or 14 years of Republican rule after which the situation in this country was pretty desperate and something had to be done in a hurry.

There is this great difference between those closed rules and this one. Those rules had something inside of them. This closed rule, in my judgment, has very little inside of it. We had the same subject over here the other day under suspension of the rules. It got barely a majority. It fell far short of the two-thirds majority that was necessary.

What has happened since then? Well, it has been to the body at the other end of the Capitol, which is all that happened to it, so far as I know. We met in the Committee on Rules yesterday afternoon at 6 o'clock, and I heard no suggestion that this legislation had been back to the Committee on Banking and Currency. It is brought back today to the House just as fixed by the distinguished gentlemen at the other end of the Capitol, and you are going to have to have to take it or leave it just like that.

You liberal gentlemen on the left, of whom I know there are many, find yourselves today in a position in which, if you have any ideas contrary to what may have been put into this bill at the other end of the Capitol about this tremendously important issue, you are just disfranchised to that extent then. You cannot do anything about it. Under your leadership, you will have to come along like good boys and let your communications on this great subject be "yea, yea" and "nay, nay."

The only reason I have heard advanced why we cannot waive all these technicalities and get down to the heart of this great problem is that we do not have time to do so before we go home. I want to be with my family at Christmas, but I am thinking a little also of Christmas 1948 and 1949 and 1950. I am reminding you that forces are eating at the economic foundation of this Nation every time the sun rises and sets and we had better not center our thoughts too greatly upon Christmas 1947 to the exclusion of subsequent Christmases.

I went to my office a day or two ago and read thoughtfully a message of the Chief Executive of this Nation. I tried to read it impartially. I knew that that message was prepared with full information as to the world-wide situation. I am satisfied it was prepared with the most serious consideration of the condition of the United States at a time when, whether we would have it so or not, we

are the leading world power. That is a serious message. It refers to the serious condition in this Nation, which is all too realistic. With all the fairness I can command, I am bound to conclude that the bill we are going to pass today—or you are; I am not—in our haste to get home for Christmas, is no answer to the conditions that obtain in our beloved country; and it is not right. It ought to be here under an open rule, and we should stay here and consider this legislation line by line if it takes night and day until we know that we have done our level best to avoid what I hope may not be a catastrophe in America.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman was speaking about legislation that came in here in the past 15 years that had something in it. I think a lot of that legislation the gentleman from North Carolina wishes today he had never seen and never heard of, and that it had never been brought in here. I think he wishes he had had an opportunity to change it, because you would not have a lot of things you are having today. In connection with this piece of legislation, the gentleman says he is interested in 1947. What we are trying to do is ease you gradually out of some of the things you have gotten us into in the last 10 or 12 years. If we ease you out gradually you will be happy and the people back home will be happy, too. But if we continue, it will be ruinous.

Mr. CLARK. I want them to be happy. I will say to my distinguished friend, however, that the only piece of legislation which was referred to by the chairman of the Committee on Rules, which was brought in under a closed rule, was the AAA, and if the gentleman from Pennsylvania is not aware of the benefits flowing from that legislation to the people of this country, he ought to go into the great agricultural sections of the country and find out.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield.

Mr. RAYBURN. The gentleman from Pennsylvania, like many others, always gets up and talks about the New Deal and the laws that were passed under it. How many bills have they introduced to repeal any of those New Deal laws?

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CLARK. I yield.

Mr. RANKIN. To attempt to cure our present ills with this legislation reminds me of the old woman who attempted to punish the mole for eating the vegetables in her garden, by taking it out into the middle of her garden and cruelly burying it alive. That is about the effect this legislation will have.

Mr. CLARK. I want to say just one more word about this New Deal proposition. I was not a 100-percent New Dealer. I could not agree with all of its measures. But I remember very well when the doors of every banking institution in the United States were closed, and the streets of this Capital were full of rather angry men and women who

were almost ready to break through the store windows and get their children something to eat. Something had to be done to break the log jam, and on the whole even a conservative, somewhat of my own tendencies, can say a good deal for the New Deal.

Mr. MILLER of Nebraska. The gentleman is speaking about a closed rule. On page 2, line 6, it says that the Committee on Banking and Currency may offer amendments to the bill, so the door is not entirely closed.

Mr. CLARK. Well, the gentleman can construe it that way if he sees fit, but I go back to the fundamental proposition that all these technicalities and rules and parliamentary requirements ought to be swept aside and the representatives of the people in the Congress of the United States ought to get down to business and register their unfettered best judgment on this great problem.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I know it is customary to start a discussion on these serious questions by saying, "We are at the crossroads." I will not use that expression. I think it is about worn out. I do not believe there is a man in the House of Representatives who does not realize the seriousness of the present economic situation in the Nation, and who does not realize the threat to the prosperity and happiness and comfort of every man, woman, and child of our 140,000,000 people. I do not know what good will be done by legislation under these circumstances—I just do not know—but I do feel that it is of such grave importance to every one of the constituents of every one of the Members of the House that we could well afford to declare a moratorium on politics for a week or 10 days and sit here just as good, plain, honest, hard-working American citizens and endeavor to reach a sensible conclusion to do something, whatever it might be, in an effort to halt the wave of inflation now threatening the economic stability of the country. The bill we have before us, nobody can deny, is merely a piece of shadow boxing. It does not do anything. The bill that comes to us from the other body this morning does less than the bill which the House of Representatives refused to consider a week ago.

Mr. PATMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. SMITH of Virginia. I will be glad to yield later if I have time. Not at this time.

There are two things that confront the people of this country most vitally at the moment, and they are thoroughly alive to it. One is our foreign situation and the necessity, as a great majority of the people of this Nation believe, to do something to alleviate the European situation and to ward off, so far as we can, the threat of further armed conflict.

The other thing that is very close to home to them are these high prices, induced by the evergrowing inflation in prices. It is just a matter of plain, common horse sense that you cannot solve those two major problems without putting some controls over the economy of this Nation. You cannot create a short-



age of vital necessities of life in this Nation by shipping them abroad, unless you are going to control the situation at home in some manner or by some method. You know and I know that this little piece of froth here about voluntary controls is not going to do the trick. You Members of this House who have served with me in the years gone by know there has been no Member of this body, on either the Democratic or the Republican side, who has inveighed against, criticized more openly, freely, and harshly the administration of the old OPA than I have. There is not any Member of this House who despises control over the free people of this country any more deeply than I do. But we are today confronted with a condition and not a theory. You are confronted with the proposition that you just cannot create a shortage by shipping great quantities of scarce commodities abroad, without causing inflation unless you put some control on your prices and distribution. Now, think about that for a minute. It just is not common sense and you cannot do it, if you stop to think about it, and you know you cannot do it. God knows I do not want to do anything about it, but we have got to do something about it if we are going to save our people from inflation and if we are going to save the people in the lower-income groups in this Nation from actual privation and hunger, because they cannot pay the prices that we are going to have to pay.

Now, what to do about it? I say I do not know, but we ought to be able to find the answer, if we are capable of enacting the laws that are necessary for the welfare of this great Nation of ours.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I will yield in a minute. Not at this time.

Now, we are going to sit supinely here and fool the American people with a piece of legislation that every Member of this body knows does not accomplish a single solitary thing. The profit system is too deeply ingrained in the Yankee people of this Nation to root it out with some frothy conversation about some voluntary agreement. Now, let us think about the thing sensibly. Let us at least do the thing we are supposed to do, namely, deliberate about the serious problems that confront this Nation. Do you call it deliberation? Is it deliberation? Is it legislative decency to consider a matter of this grave importance, not only to the people of this Nation but to the people of the world, under a gag rule that permits only 1 hour's discussion of a measure brought here from another body, and permit no amendments whatsoever—no opportunity to improve the situation that we all know and all realize is desperate? It does seem to me that we might at least consider the question of why we could not properly, in our desperate situation, put some ceilings on present prices, if we could not at least contrive some method by which we would allocate fairly in the interest of the people of this Nation the vital necessities of life and the vital commodities necessary to keep the wheels of industry turning. If you gentlemen on my left refuse, the responsibility is yours.

Do you take that responsibility this morning, in this grave hour?

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Do you take the responsibility of saying to the American people: "No; we will not permit your duly elected Representatives even to consider the problem that is so vital to your welfare"?

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RANKIN. As I have pointed out time and time again, these high costs are caused by an inflation of the currency through the Federal Reserve System. The Committee on Banking and Currency is the committee to bring in legislation to curb that inflation; and this kind of legislation will not be worth the paper it is written on if it does not.

Mr. SMITH of Virginia. I will say in that connection that the Committee on Banking and Currency did bring in a clause in that bill that undertook to do something about inflation. It undertook at least to tighten up on credit, but in the bill that is brought here this morning that is cut out. There is no attempt to control credit. There is no attempt to control bank reserves.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HALLECK. I just wanted to suggest, as has already been pointed out, that the gentleman can offer a motion to recommit if he is opposed to the bill; and he might even offer as a motion to recommit the Spence bill, which, as I understand, is the administration's proposal.

Mr. SMITH of Virginia. We might do that. I am not predicting what we will do on this side; but if we do present a motion to recommit, a motion which we feel will give some relief to the American people and give them some insurance against this disaster that is creeping upon them, I trust sincerely that the gentleman from Indiana will give us his support.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. RICH. The gentleman from Mississippi was talking about legislation to stop inflation of the currency. I ask the gentleman from Mississippi and the gentleman from Virginia who passed the legislation he is criticizing so much?

Mr. SMITH of Virginia. I do not know anything about that. The gentleman from Mississippi and the gentleman from Pennsylvania are talking about inflation of the currency and so forth and so on. I am a banker, but I know less about it than they do, and I do not think either one of them know too much about it.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. DINGELL. The suggestion was made that the minority has the privilege of submitting a motion to recommit. The motion to recommit, however, does not permit any debate on the essentials of the proposition.

Mr. SMITH of Virginia. None whatever.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. WHITTEN. I wish to point out, if the gentleman will permit, that section 7 of this bill provides:

That the Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guaranties, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment, and other materials.

If this closed rule is adopted it means that under the terms of this bill we are supporting a price support program in South America or may do so; and in addition to that, the only way in the world we could stop it would be by disapproving it by action of the House and Senate. The gentleman knows, in fact every Member knows, that the other body could block it and under the closed rule there is no effective way to oppose or modify such program or even raise the question.

Mr. SMITH of Virginia. I am glad the gentleman has given us some enlightenment on what is in this piece of paper.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Did I understand the gentleman to say that we could not continue to provide relief for other countries without some sort of control in this country?

Mr. SMITH of Virginia. I did. It is just a common sense proposition that you cannot create artificial scarcities in this country by shipping the stuff abroad unless you are willing to do something to control prices at home. The alternative is inflation and higher prices. You might as well face that proposition now as at a later time when it is too late to do anything about it.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Arkansas.

Mr. HAYS. Mr. Speaker, it seems to me that the point made by the gentleman from Indiana [Mr. HALLECK] only confirms the statement that the gentleman from Virginia has made. That is, that we should not have to choose between the Harriman bill, which has also been referred to as the Spence bill, and the pending bill. That is the very way to deprive the House of getting a better alternative, because there are some of us who feel that the Harriman bill is not in perfect form. It simply confirms the point that the gentleman from Virginia has made. The procedural question is a whole lot more important than some have indicated.

Mr. SMITH of Virginia. The gentleman is entirely right.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, is it not a fact that those of us who would like to



have a bill which we would consider more effective than this one should vote down the previous question? We should vote down the previous question on the rule in the hope that the previous question may be defeated and then the rule could be amended so that a different bill might be brought in?

Mr. SMITH of Virginia. I am sure on our side we would be happy to follow the wishes of the Banking and Currency Committee on that subject.

Mr. Speaker, I reserve the balance of my time.

Mr. ALLEN of Illinois. Mr. Speaker, I have only one other speaker. May I ask the gentleman if he has any other speakers?

Mr. SMITH of Virginia. Yes.

Mr. ALLEN of Illinois. Will the gentleman use his time then. We have only one over here.

Mr. SMITH of Virginia. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, we have before us a rule which makes in order a modified version of the original House resolution we considered on last Monday, the so-called Republican anti-inflation program. The bill now before us, Senate Joint Resolution 167, contains a 1-year extension of export and transportation control. That is mandatory, not voluntary. The bill also contains authority for voluntary allocation agreements and authority for the Secretary of Agriculture to control the use of grain to the manufacturers of liquor and neutral spirits. That section has been added. That is section 4 (b) on page 5.

It also contains four amendments that were added in the other body and the two deletions that were taken out originally on this side. I want to refer to the amendments in general.

Amendment 1 added on the other side found in section 6 provides that if the President finds that a shortage of some commodity is jeopardizing the national health, safety, or welfare, he may submit a mandatory control program to the Congress and the Joint Congressional Economic Committee must hold hearings on it within 15 days.

A second amendment was added on the other side.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Texas.

Mr. PATMAN. It is a fact that the Joint Committee on the Economic Report has no power to initiate legislation.

Mr. BUCHANAN. That is true.

Mr. PATMAN. Even though it was to have hearings it would have no power to originate or to initiate any bill along the lines complained of.

Mr. BUCHANAN. The gentleman is correct in his statement.

The second amendment, section 7, added in the other side, authorizes the Commodity Credit Corporation to aid non-European foreign countries in their food production programs, with a provision that Congress could cancel any such programs within 60 days.

Another section added by amendment authorizes \$1,000,000 for a voluntary food and feed conservation program.

The fourth section added by amendment, section 2, subparagraph (c) requires that the Attorney General rather than the President must approve any waiving of the antitrust law with respect to voluntary agreements on allocations of scarce materials.

Now, Mr. Speaker, it is too late to unscramble the egg. I do not believe that effective rationing and wage and price controls can be reimposed upon a nation that is so far down the stream in the current of inflation. We have been swept downstream at a terrific pace over the past 18 months. Nothing that we can do now in any limited sense will save the situation.

The resolution we have before us is a slight improvement over the original that we had in here on Monday. Serious and sincere efforts have been made in the other body to improve it. Some few, four in number that I recited, have been accepted, and are contained in this present resolution. Efforts calling for mandatory rather than voluntary allocations for controls were beaten or defeated. The bill has some mandatory features in it now, as I recited, the export and transportation control features.

The bill has four things which the President was interested in and which are recommended in his message to Congress. Provisions which I objected to, and still object to, are those found in section 2 which refer to voluntary agreements and the relaxing of the antitrust law. The joint resolution as a whole represents nothing more than a feeble gesture.

However, I shall support the bill in its final form. I shall support any motion to recommit. I am not willing to put myself in a position of voting against it. It looks as though we, on the Democratic side, will have to eat crow this Christmas 1947, but in 1948 the story may be different.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, there seems to be considerable confusion in the minds of some of the Members of this House as to what should be done concerning the problem of high prices and the high cost of living, as well as to what should be done in considering this legislation.

I think we should get down to fundamental facts for just a moment or two regarding this rule and this resolution.

As every one of us knows, this rule is necessary if the Congress is to vote on this legislation and adjourn tonight as per the agreement which has been made. Some of those who have criticized the leadership for driving ahead on this legislation already have their rail or plane tickets in their pockets and would be the most disappointed of all of us if the House should be held in session through Christmas week.

Yes, there is confusion, and it is to be found in unexpected sectors. I have the highest respect and regard for my good

friend the gentleman from Virginia, and I was rather amazed when he stood here in the well of the House and demanded that we take action to reinstitute a completely controlled economy here in America. Then there are others who want no controls of any kind, while some want moderate and helpful legislation such as this. This resolution as it has come to us is a just and fair measure designed only to meet the emergency until further action can be taken. It is not very controversial when you get down to it. I doubt if very many of you can criticize any particular section of this bill. We are simply endeavoring to do something helpful in preparation for the regular session of Congress, when this whole matter will be reviewed again, and when more complete legislation will be enacted.

The facts are that we have been talking about this problem, we have been discussing it among ourselves and in committees, ever since November 17. The facts are that this measure is almost the same as the one approved by the House Committee on Banking and Currency, and approved by a majority of the House, although it failed to receive the two-thirds majority necessary for suspension of the rules the other day. So I think most of us know what this bill is, what it means, and what it will do.

I was amazed and greatly surprised when the gentleman from Mississippi [Mr. RANKIN] severely criticized the amendment of Senator BARKLEY, of Kentucky, the Democratic leader of the Senate, because the section of the bill to which the gentleman from Mississippi spoke, and which he criticized, was the amendment offered by Senator BARKLEY, of Kentucky, and you may find it, if you wish, as a portion of a bill he introduced in the Senate, S. 1882.

I am reminded of an old spiritual. Many of you have heard it. It goes something like this: "Everybody who's talkin' 'bout heaven ain't goin' there."

I am convinced there are a lot of people who have been talking about being against inflation and high prices who actually are not interested in bringing down high prices, or in stopping inflation. I know some officials who have statutory authority now to take effective action which will reduce high prices, and will certainly put a pinhole, at least, in the inflationary balloon. I am fearful that some of those who speak here today about wanting to open up this legislation, wanting to amend it, and wanting to do this or that to it, are not truly interested in passing any legislation to hold down prices, but instead just do not want any legislation at all. They are giving lip service, but only lip service, to the endeavor that some of us are honestly making to stop the steady increase of prices, and the inflationary boom which is now on, or to level prices off a bit, if we cannot do more.

So, I say to you, that anyone in this House who wants to do something, who wants to take a step in the right direction, toward holding down prices, toward preventing the cost of living from going higher, will support this rule and this legislation. This is your one opportunity at this session of Congress. As you vote,



so shall you be judged as to whether you are actually opposed to high prices or want them to continue on their upward spiral.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, I hope this resolution may be voted down and that the House will thereafter be granted ample time for debate on this great problem of reducing the cost of living and preventing inflation. I know that the Members are anxious to return home for Christmas, however, the public welfare demands that definite and positive steps be taken at this time to prevent the spiraling cost of living and to check the ruinous inflation which is about to engulf the Nation. We are not fulfilling our duty unless we go into this problem fully and try to work out on a nonpolitical basis a real way of stopping the rising costs which threaten the economy of our country. There is no place for politics in dealing with this measure. Inflation is not a respecter of persons or political parties. It is on the brink of causing disaster to millions of families of all walks of life of all political and religious beliefs. Unless checked it will destroy farmers, industries and workers alike. It is unfortunate that the leadership of the House will not permit amendments to be adopted to Senate Joint Resolution 167 which is the measure we are about to consider. The leadership is not acting in the best interest of the country in refusing to permit amendments which would definitely stop this inflation spiral.

In 1941, I voted and worked for the adoption of the Baruch price-control plan, which was ably presented by my esteemed colleague the gentleman from Tennessee, Representative ALBERT GORE, and other Members of the House. It would have substantially frozen at that time all elements of cost that affected the cost of living. Unfortunately, that proposal was not adopted. We would not have inflated prices now and war would have cost us only one-half as much if it had been.

The OPA, with all its imperfections, held prices fairly well in check, but since the expiration of OPA the cost of living has been going up by leaps and bounds. The situation is almost out of hand, and it will be out of hand unless we act quickly and definitely. This is the time to take affirmative steps. The bill which this resolution makes in order for consideration has a few good features, but it does not get at the heart of the problem. No one contends it will stop rising costs or that it will effectively stabilize the economy of our country. The truth is, with shipments of grain and other commodities to other countries, which must be done for world peace, there is simply a shortage in this country, and the competition to secure that which is left is going to be keen. The result is that prices will go up and up unless definite steps are taken. This means that wages and salaries will rise at the same time and the health of our Nation is going

to be destroyed unless the spiraling is stopped, and stopped now.

As desirable as it is to go home for Christmas, I think Congress ought to stay here and work out an effective control program. It could be done if we would get down to business, forget politics, and join in a determination to prevent this boom and bust to which we appear to be heading. The welfare of the world and of this Nation for years to come may be determined by what we do here today.

Admittedly, this bill has some few good points. It does about 10 percent of the things necessary to cut back the cost of living and prevent further spiraling of prices and wages. The people of this country will know that this measure, as it stands, is not effective. They are looking to Congress to use a firm hand. I hope the House may agree to a full debate of this issue and to authorize the submission of amendments which will give us an effective control measure.

(Mr. KEFAUVER asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 178, noes 97.

Mr. SMITH of Virginia. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 203, nays 144, not voting 86, as follows:

[Roll No. 151]

YEAS—203

Allen, Calif.	Crow	Holmes
Allen, Ill.	Cunningham	Hope
Andersen, H. Carl	Curtis	Horan
Anderson, Calif.	Dague	Hull
Andresen, August H.	Davis, Wis.	Jenison
Angel	Dawson, Utah	Jenkins, Ohio
Arend	Devitt	Jennings
Arnold	D'Ewart	Jensen
Auchincloss	Dolliver	Johnson, Calif.
Bakewell	Dondero	Johnson, Ill.
Banta	Eaton	Johnson, Ind.
Barrett	Elliott	Jones, Wash.
Bates, Mass.	Ellis	Jonkman
Beall	Ellsworth	Judd
Bender	Elsaesser	Kean
Bennett, Mich.	Elston	Kearney
Bishop	Engel, Mich.	Kearns
Blackney	Fellows	Keating
Boggs, Del.	Fenton	Keefe
Bolton	Fletcher	Kersten, Wis.
Bradley	Foot	Knutson
Bramblett	Fuller	Landis
Brehm	Gamble	Latham
Brophy	Gathings	Lea
Brown, Ohio	Gearhart	LeCompte
Buck	Gillette	LeFevre
Buffett	Goff	Lewis
Burke	Goodwin	Lichtenwalter
Byrnes, Wis.	Graham	Lodge
Canfield	Grant, Ind.	Love
Carson	Gross	McConnell
Case, N. J.	Gwynn, N. Y.	McCowan
Chadwick	Gwynne, Iowa	McCulloch
Chenoweth	Hagen	McDowell
Chipperfield	Hale	McGarvey
Church	Hall	McGregor
Clason	Leonard W.	McMahon
Clevenger	Halleck	McMillen, Ill.
Coffin	Hand	Mack
Cole, Kans.	Harness, Ind.	MacKinnon
Cole, Mo.	Harvey	Macy
Cole, N. Y.	Hertter	Maloney
Corbett	Hesilton	Martin, Iowa
Cotton	Hess	Mason
Crawford	Hill	Mathews
	Hinshaw	Meade, Ky.
	Hoffman	Morrow

Meyer	Rces	Simpson, Ill.
Michener	Reeves	Simpson, Pa.
Miller, Conn.	Rich	Smith, Maine
Miller, Md.	Riehlman	Snyder
Miller, Nebr.	Robertson	Stefan
Morton	Robson	Stevenson
Muhlenberg	Rockwell	Taber
Mundt	Rogers, Mass.	Talle
Murray, Wis.	Rohrbough	Tibbott
Nicholson	Ross	Tollefson
Nixon	Russell	Twyman
Nodar	Sadlak	Van Zandt
Norblad	St. George	Vorys
Owens	Sanborn	Vursell
Phillips, Calif.	Sarbacher	Wadsworth
Phillips, Tenn.	Schwabe, Mo.	Weichel
Ploeser	Schwabe, Okla.	Welch
Plumley	Scott, Hardie	Wigglesworth
Potter	Scott, Hugh D., Jr.	Wilson, Ind.
Potts	Scrivner	Wolcott
Poulson	Seely-Brown	Woodruff
Ramey		Youngblood

NAYS—144

Abernethy	Gorski	Morris
Albert	Granger	Multer
Almond	Grant, Ala.	Murdock
Andrews, Ala.	Hardy	Murray, Tenn.
Battle	Harris	Norrell
Beckworth	Harrison	Norton
Bell	Hart	O'Brien
Blatnik	Havenner	O'Konski
Bloom	Hays	O'Toole
Bonner	Hedrick	Passman
Boykin	Hobbs	Patman
Brown, Ga.	Holfield	Peden
Bryson	Huber	Peterson
Buchanan	Jackson, Wash.	Pickett
Bulwinkle	Johnson, Tex.	Poage
Burleson	Jones, Ala.	Price, Ill.
Camp	Jones, N. C.	Priest
Cannon	Karsten, Mo.	Rankin
Carroll	Kee	Rayburn
Celler	Kefauver	Redden
Chapman	Kelley	Regan
Chelf	Kennedy	Richards
Clark	Kerr	Riley
Combs	Kilday	Rogers, Fla.
Cooley	King	Sadowski
Copper	Kirwan	Sasser
Cravens	Klein	Sheppard
Davis, Ga.	Lane	Sma'ners
Deane	Lanham	Smith, Ohio
Dingell	Larcade	Smith, Va.
Donohue	Lemke	Somers
Doughton	Lesinski	Spence
Douglas	Lucas	Stigler
Durham	Lusk	Stockman
Eberharter	Lyle	Teague
Engle, Calif.	Lynch	Thomas, Tex.
Evins	McCormack	Thompson
Fallon	McMillan, S. C.	Vinson
Feighan	Madden	Walter
Fernandez	Mahon	Wheeler
Flannagan	Manasco	Whitten
Fogarty	Mansfield	Whittington
Folger	Marcantonio	Williams
Forand	Meade, Md.	Wilson, Tex.
Garmatz	Miller, Calif.	Winstead
Gary	Mills	Wood
Gordon	Monroney	Worley
Gore	Morgan	Zimmerman

NOT VOTING—86

Allen, La.	Gallagher	Pfeiffer
Andrews, N. Y.	Gavin	Philbin
Barden	Gillie	Powell
Bates, Ky.	Gossett	Preston
Bennett, Mo.	Gregory	Price, Fla.
Bland	Griffiths	Rabin
Boggs, La.	Hall	Rains
Brooks	Edwin Arthur	Reed, Ill.
Buckley	Harless, Ariz.	Reed, N. Y.
Busbey	Hartley	Rivers
Butler	Hébert	Rizley
Byrne, N. Y.	Heffernan	Rooney
Case, S. Dak.	Hendricks	Sabath
Clements	Hoever	Scoblick
Clippinger	Jackson, Calif.	Shafer
Colmer	Jarman	Short
Coudert	Javits	Sikes
Courtney	Jenkins, Pa.	Smith, Kans.
Cox	Johnson, Okla.	Smith, Wis.
Crosser	Keogh	Stanley
Davis, Tenn.	Kilburn	Stratton
Dawson, Ill.	Kunkel	Sundstrom
Delaney	Ludlow	Taylor
Dirksen	McDonough	Thomas, N. J.
Domenegeaux	Mitchell	Towe
Dorn	Morrison	Trimble
Drewry	O'Hara	Vail
Fisher	Pace	West
Fulton	Patterson	Wolverton



So the previous question was ordered. The Clerk announced the following pairs:

On this vote:

Mr. Thomas of New Jersey for, with Mr. Sabath against.  
Mr. Andrews of New York for, with Mr. Boggs of Louisiana against.  
Mr. Sundstrom for, with Mr. Trimble against.  
Mr. Butler for, with Mr. Hébert against.  
Mr. Towe for, with Mr. Heffernan against.  
Mr. Gavin for, with Mr. Drewry against.  
Mr. Kilburn for, with Mr. Keogh against.  
Mr. Hoeven for, with Mr. Delaney against.  
Mr. Wolverton for, with Mr. Rains against.  
Mr. Reed of Illinois for, with Mr. Rivers against.  
Mr. Reed of New York for, with Mr. Jarman against.  
Mr. Coudert for, with Mr. Pfeifer against.  
Mr. Kunkel for, with Mr. Brooks against.  
Mr. Gallagher for, with Mr. Powell against.  
Mr. Smith of Wisconsin for, with Mr. Gregory against.  
Mr. Hartley for, with Mr. Cox against.  
Mr. Short for, with Mr. Pace against.  
Mr. Scoblick for, with Mr. Byrne of New York against.  
Mr. Rizley for, with Mr. Morrison against.  
Mr. Dirksen for, with Mr. Dawson of Illinois against.  
Mr. Gillie for, with Mr. Preston against.  
Mr. Griffiths for, with Mr. Rooney against.  
Mr. Taylor for, with Mr. Gossett against.  
Mr. Vail for, with Mr. Domengeaux against.  
Mr. Jackson of California for, with Mr. Buckley against.  
Mr. Jenkins of Pennsylvania for, with Mr. Bates of Kentucky against.  
Mr. Patterson for, with Mr. Davis of Tennessee against.  
Mr. Shafer for, with Mr. Philbin against.  
Mr. Smith of Kansas for, with Mr. Rabin against.  
Mr. Stratton for, with Mr. Stanley against.  
Mr. Mitchell for, with Mr. West against.  
Mr. Bennett of Missouri for, with Mr. Bland against.  
Mr. Edwin Arthur Hall for, with Mr. Johnson of Oklahoma against.

General pairs until further notice:

Mr. Busbey with Mr. Sikes.  
Mr. Case of South Dakota with Mr. Colmer.  
Mr. Fulton with Mr. Clements.  
Mr. McDonough with Mr. Fisher.  
Mr. O'Hara with Mr. Barden.  
Mr. Clippinger with Mr. Price of Florida.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

SELECT COMMITTEE TO INVESTIGATE TRANSACTIONS ON COMMODITY EXCHANGES

The SPEAKER. Pursuant to the provisions of House resolution 404, Eightieth Congress, the Chair appoints as members of the Select Committee to Investigate Transactions on Commodity Exchanges the following Members of the House: Mr. AUGUST H. ANDRESEN, chairman; Mr. CRAWFORD; Mr. BUFFETT; Mr. JENKINS of Pennsylvania; Mr. MCCORMACK; Mr. RAINS; and Mr. CARROLL.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH, from the Committee on Public Lands, submitted the following privileged resolution (H. Res. 385), which

was referred to the House Calendar and ordered to be printed:

*Resolved*, That the Secretary of the Interior be requested to furnish the House of Representatives full information in his possession concerning the amount of fuel oil, gasoline, petroleum products, and coal now available in the United States and what steps the Government should take to make the proper and necessary supply available.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. LECOMPTE. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may sit during the session of the House today.

The SPEAKER. Is there objection to the request of the gentleman from Iowa? There was no objection.

EXTENSION OF REMARKS

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter from the War Department.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PLOESER. Mr. Speaker, on Sunday, December 14, a radio commentator made the following broadcast:

Prediction No. 3, United States treason: More than a month ago I revealed that an Army lieutenant, Martin James Monti, of St. Louis, of the United States Army in Karachi, India, flew to Italy, stole an airplane there, landed behind the German lines and went over to the enemy. I also revealed that Monti had actually enlisted in Hitler's elite SS corps and had worn its uniform. Despite this, however, the Army recently let him reenlist as a private, all because he had a political friend, Congressman PLOESER, of St. Louis. Believe it or not, this Republican Congressman went to bat for Lieutenant Monti, and the amazing fact is that he is still in the Army. So here is my prediction. The Justice Department, I predict, will now move in on Lieutenant Monti and prosecute him for the worst offense on the statute books—treason against the country.

It is indeed regrettable that inadequate information affords an opportunity for such irresponsible comment. As a result of the broadcast, I have discussed the subject with the highest departmental authorities concerned. I am today in receipt of a letter from the Department of the Army which I am requesting the press to print in full. It follows:

DEPARTMENT OF THE ARMY,  
Washington, December 18, 1947.

Hon. WALTER C. PLOESER,  
House of Representatives,  
Washington, D. C.

DEAR MR. PLOESER: In response to your informal request I take pleasure in summarizing certain of the salient facts concerning the case of Martin J. Monti and concerning your contacts with the War Department in that case.

Monti was formerly a second lieutenant. On August 6, 1945, a general court martial, sitting in Naples, Italy, convicted Monti of absence without leave from his place of duty in Karachi, India, from October 2, 1944, to May 14, 1945, and of misappropriation of a P-38 type aircraft. He was sentenced to dismissal from the service and confinement for 15 years. The sentence was approved in the theater and ordered executed, and Monti was returned to this country as a general prisoner.

Thereafter you and others wrote in his behalf, setting forth the good reputation of his family (who reside in your district, and the records of his brothers in the armed services, and also presenting Monti's contention that his conduct was due to his overanxiety to get into the fighting zone. Your interest in this case was in line with similar action by many other good citizens in behalf of many prisoners.

The case was carefully considered under the regular restoration procedure of the War Department. Because of his previous military record and his exemplary conduct while in confinement, and in light of the facts presented to the Department from various sources, the unexecuted portion of Monti's sentence was ordered remitted on condition that he enlist in the Army. This he did on February 11, 1946. At that time no facts had been presented indicating that Monti was guilty of any crime or misconduct other than that with which he had been charged.

Some time after Monti enlisted, information reached the War Department indicating that during his period of absence without leave, Monti had participated in German propaganda broadcasts to American troops and had performed other services for the German Government and the German Army. There were possible legal obstacles to his trial by military court martial. So the case was referred by the War Department to the Office of the Attorney General on April 16, 1947. Since that date the case has been under legal and difficult factual investigation, in which the War Department and the Department of the Army have cooperated with the Department of Justice.

On May 7, 1947, you forwarded to the Secretary of War a summary of a conversation between a member of your office staff and Monti, in which Monti stated that he had participated in German broadcasts to Americans during the war. This additional information from you as to an admission by Monti was immediately forwarded by the War Department to the Attorney General. Neither at the time you forwarded this information to the Department nor at any later date have you requested any favorable consideration of Monti's case. This Department appreciates the assistance which you rendered by forwarding us the information in May.

In May when you transmitted this additional information to the War Department, you had not been made aware by this Department of any new action in the Monti case.

The Department of the Army suggests that you publish this letter if you see fit.

Sincerely yours,

KENNETH C. ROYALL,  
Secretary of the Army.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, it is axiomatic, as any economic expert will tell you, that prices in a free economy, which means a free country, are governed by two things—the volume of the nation's currency multiplied by the velocity of its circulation.

The gentleman from Virginia [Mr. SMITH] said he did not think the gentleman from Pennsylvania [Mr. RICH] or I either one knew anything about the money question. I do not claim to be an expert, but I have before me the circulation statement of the United States Treasury showing that in 1917 we



had \$4,172,945,914 in circulation, or \$40.49 per capita. On October 31, 1920, the amount of money in circulation arose to \$5,698,214,612, or \$53.18 per capita.

Now remember that was at the peak of high prices when cotton was around 40 cents a pound and wheat ran up to \$2.75 or \$3 a bushel.

On October 31, 1947, we had \$28,551,-870,056 in circulation, or \$196.99 per capita.

Of this amount \$24,283,461,535, or \$167.54 per capita, were Federal Reserve notes. These Federal Reserve notes are legal tender and, therefore, legal money of the United States.

This bill makes no provision for curtailing or restricting the issuance of Federal Reserve notes, or for slowing down, or controlling the inflation of the currency.

Until that is done, we are going to continue to have rising prices of commodities regardless of all the price-fixing, rationing, and regimentation this bill provides.

One of the net results of this bill will be the encouraging the black markets. Today commodities, whose prices are restricted in this country, are selling at much higher prices in our own money in foreign lands.

Until this Committee on Banking and Currency, who reported this bill, and the corresponding committee at the other end of the Capitol wake up and bring out legislation to control the inflation of the currency, the American people are not going to be protected from rising prices.

This is one of the most vital questions now effecting this Nation, or the world for that matter; and I appeal to the Committee on Banking and Currency to take this question up now before this rising tide of prices gets out of hand, and before we find American products driven into black markets by artificial restrictions.

There is not a thing in this bill that will in any way restrict this inflation of the currency, which is the very root of our trouble.

#### CORRECTION OF ROLL CALL

Mr. NODAR. Mr. Speaker, on roll call No. 149 I am recorded as being absent. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

#### EXTENSION OF REMARKS

Mr. DAVIS of Georgia asked and was given permission to include a newspaper article in the extension of remarks for which he secured permission earlier today.

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD on three occasions and include some excerpts.

Mrs. ST. GEORGE (at the request of Mr. PLUMLEY) was given permission to extend her remarks in the RECORD.

Mr. SADLAK asked and was given permission to extend his remarks in the

RECORD and include an excerpt from the Hartford Courant.

Mr. KNUTSON asked and was given permission to extend his remarks in the RECORD and include an article.

#### STABILIZATION OF COMMODITY PRICES

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of Senate Joint Resolution 167, with Mr. PHILLIPS of California in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. WOLCOTT. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. SMITH].

(Mr. SMITH of Ohio asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Ohio. Mr. Chairman, the time allotted me is entirely too short to make anything like a comprehensive analysis of this bill, Senate Joint Resolution 167, popularized as the Republican anti-inflation bill.

If anything, the measure is worse than the one we refused to consider here in the House a few days ago. It gives the President legal authority to set up as many Luckman committees as he may wish. Before the President took that responsibility upon himself; under this measure the Congress must bear that responsibility.

This bill, if signed by the President, will bring back in full force the NRA, all denial to the contrary notwithstanding. This measure invites the President to come before the Congress and ask for such controls as he deems necessary.

This so-called Republican anti-inflation bill will do absolutely nothing to check inflation and the spiral of rising prices. It does not even remotely touch upon a single cause of inflation. Indeed, by its very nature, it will aggravate the inflationary spiral, increase shortages, and bring back in full force black markets.

With the passage of this measure every industry in the Nation will be placed in a position of uncertainty, hesitation, and fear, just as took place when the NRA Act was passed in 1933. Business planning for the future will be seriously affected. No one engaged in trade or in industry will be safe in undertaking any future program until he has the sanction of the politicians controlling the Government. It all depends on the extent the law is put into operation.

"Show us something better," says the Republican leadership to those of us who oppose this measure. As I have stated,

this is no solution at all for our trouble and cannot possibly do anything but aggravate it.

Forthrightness, good sense, and integrity tell us plainly what the remedy is:

Reduce the Federal pay roll to a number not exceeding five or six hundred thousand employees.

Limit appropriations to the executive departments accordingly.

Reduce income taxes to a level that will restore conditions favorable to the investment of risk capital which is now so crucially necessary for new tools of production. Better still, repeal the whole system of progressive taxation and provide a more equitable system, one which will in any event permit the accumulation of risk capital for replenishing and increasing our productive facilities. Do not forget that Karl Marx made progressive taxation a basic tenet of his program for liquidating private property and ushering in the Socialist or police state.

Start liquidating the so-called Government corporations formed under the New Deal. Sell to the highest private bidder the socialist Tennessee Valley Authority; liquidate the Reconstruction Finance Corporation, the Export-Import Bank, the Commodity Credit Corporation, and so forth.

Reject in its entirety the colossal new lend-lease program called the Marshall plan and prevent it not only from draining away our own resources but prevent it from being used to support the collectivist movement in Europe and elsewhere.

Abandon at once the suicidal policy of sticking our nose into the affairs of almost every country on the face of the globe.

Stop immediately the barbaric policy of destroying by starvation the German people, if not in the name of righteousness then for our own security and preservation.

Take from the Federal Reserve Banking System the powers it now holds over money and credit and return them to private banking institutions.

Restore the gold standard. Take the gold out of the vaults of the mints, recoin it, and give it back to the people to whom it originally belonged and from whom it was wrongfully taken.

These things and many others must be done if we would avoid going the way of the collectivist states of the Old World and resume our progress toward a fuller life and make this Nation secure against external aggression.

This program and this one alone offers the only real remedy for inflation and run-away prices, for restoring the soundness and integrity that are essential to a healthy economy, and for bailing this Nation out of the mess our politicians have gotten us into almost all over the world.

Do what we can to feed the hungry in other lands, of course, but this is another question.

What a pity that the passage of this measure had to come at this particular time—just before Christmas.



The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. SPENCE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I know how futile it is to discuss this resolution. This is the second act of the legislative travesty which we put on last Monday.

A closed rule sometimes may be justified when measures are highly technical and involve complicated accounts and figures, but a closed rule is somewhat of a totalitarian device which permits a few Members of the House to act for all of them. In this case, the majority of the Rules Committee has prescribed that the other Members may discuss the bill but offer no amendments. Discussion under the circumstances is a futility, and accomplishes nothing.

Mark Twain said, "The weather is always discussed at length, but nothing is ever done about it." That is the attitude in which this Congress finds itself now. The discussion of this bill is mere conversation. It will have no effect. The die is cast. The bill was never considered by the Committee on Banking and Currency of the House. Yet, this resolution that involves the future welfare of the American people, which attempts to solve the greatest peacetime problem of this generation, without consideration by the legislative committee, comes in here under a closed rule that gives 30 minutes on each side for discussion, and no amendments can be offered except by the Committee on Banking and Currency, and, of course, that means the majority of the Committee on Banking and Currency.

Blackstone said municipal law is the rule prescribed by the supreme power of the state, commanding what is right and forbidding what is wrong. This resolution in its essence is not law. It commands nothing, it prohibits nothing, and it provides no penalties for failure to perform the most important provisions of the resolution. The very heart of this resolution is in the realm of morals. It provides that the President can call in representatives of the big interests of the United States and they may sit around the table and make voluntary agreements that tend to solve this momentous question. We expect men to change their habits of a lifetime, to hit the sawdust trail and repent, without any compulsion or penalties of the law—those men who work for profits by day and dream of profits by night. I say the act is futile. It was meant as a futility. You cannot solve this question without penalties of the law. There are no provisions in the act that will punish those who disobey the really essential provisions which are designed to solve our problems. If those men who sit around the table and make agreements do not comply with those agreements, they have violated no law. They cannot be punished.

This resolution is brought up here in the last day of the session, and the majority says, "You shall take this or nothing."

Mr. CHELF. Mr. Chairman, will my colleague yield?

Mr. SPENCE. I yield for a question.

Mr. CHELF. I has been said by one of the outstanding Republican leaders that this particular bill is like putting out a three-alarm fire with a garden hose. At least a garden hose squirts some water. In my opinion, this is like putting out a forest fire with an eye-dropper.

Mr. SPENCE. Well, I think it is an imposition upon the President of the United States to give him this resolution and to hold him responsible for its enactment. I think it is an imposition on the people of the United States, but we have nothing else to do. Either vote for it or against it.

Perhaps as a last recourse with the Congress about to adjourn I shall vote for it and put the burden where it belongs, on the Republican Party that is responsible for its enactment and the dictatorial and undemocratic manner in which it was considered.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. BUFFETT].

(Mr. BUFFETT asked and was given permission to revise and extend his remarks.)

Mr. BUFFETT. Mr. Chairman, I came to Congress 5 years ago. The first time I took the floor of this House I talked about the perils and dangers of inflation.

Ever since I have watched with a heavy heart and increasing anxiety the steady increase in inflationary forces. At this point of inflation's ravages I am even more deeply disturbed over the outlook.

And so I would like to vote for a real anti-inflation measure. I want this Congress to take genuine anti-inflation measures.

I think I recognize inflation dangers as well as any anyone present here today. But I have this belief; there is one thing Congress can do about inflation that would be worse than no action at all. That is to pass an anti-inflation bill that does not touch the root causes of inflation.

This bill does nothing either to increase the flow of goods or decrease the demand; and supply and demand are the fundamentals that determine prices, and determine the course of economic affairs. On the other hand, this bill has some evils that this Congress should be disturbed about. One of those is that this bill by inference puts the blame for high prices on business. By passing this bill Congress sends a message to the country that if business would only behave then inflation would be restrained and reduced. That, Mr. Chairman, is a misleading impression.

Secondly, this bill glorifies the idea of governmental controls. It dignifies the theory that the Government can control and regulate fundamental economic forces.

Such thinking does no credit to a Republican Congress. We should not approve of that theory, or that philosophy even by inference.

I understand that the Democrats, Mr. Chairman, are going to vote for this bill in large numbers because it will go out to the country as the Republican remedy for inflation.

Then if prices stay high or go higher, we will have created a set-up whereby the administration can go to the country and say, "We gave the Republicans a chance. They brought in their bill, we helped them pass it, but their bill was no good."

That development would not help us or the people of this country.

We need to get at the real causes of inflation, the increased Government expenditures, the foreign handouts, and so forth.

Since the 1st of December there has been about \$2,250,000,000 pumped into the inflationary forces affecting prices.

Here are the items at the time this bill is under discussion:

Export-Import Bank loan to Canada .....	\$300,000,000
Release of balance of British loan .....	400,000,000
Increased authority for FHA title VI loans.....	750,000,000
Stop-gap handout to Europe and other appropriations (tentative) .....	800,000,000
Total.....	\$2,250,000,000

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. BUCHANAN. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. HAYS].

Mr. HAYS. Mr. Chairman, I do not want to thresh old straw, but I would like to speak to the point on procedure which was made by the ranking minority member of the committee, the gentleman from Kentucky [Mr. SPENCE]. The fact is that there are property rights involved in the mechanics set up in this bill. One of the fine, rich phrases in our jurisprudence is that property shall not be taken "without due process of law." Whenever that right is invaded, the courts protect it; but whenever there is an invasion of "the due process of lawmaking," the due process of legislating, there is not any relief. Because of that fact, a failure of due process here might mean the forfeiting of rights. Consequently, some of us have emphasized the procedural aspects of this legislation, and I, for one, am not satisfied at all with the response that the minority is given the right to present its alternative.

The gentleman from Kentucky [Mr. SPENCE] would doubtless favor some amendments to the bill he has introduced, sometimes known as the Harriman bill, and he himself is too fair-minded to ask the Members of the minority to go along with him on a bill that could be improved. I am not for the Harriman measure any more than I am for this measure, and I think it is highly unfortunate that the House has gotten into the habit of contending that it is democratic procedure to vote "yes" or "no" on a bill merely because the privilege of recommitting is reserved.

I predict that some day we are going to correct this mistake. An excellent statement was made by the gentleman from Virginia [Mr. SMITH] who said we ought to forget about our party affiliations long enough, as honest and intelligent men, to see what we can do in the way of improving this bill. I would not take from the majority the advantage



they have acquired. It is to their advantage to say that they have given the country a law; but remember that in the other body the bill represented a contribution by the minority and I think they have strengthened the majority's bill.

Mr. Chairman, I am going to vote for the pending bill, in spite of my objections to some of its features. I will first vote for a motion to recommit if it is the motion I think will be offered. I hope the motion to recommit will be in the form that it will give to the President the power to issue regulations to accomplish, in case voluntary agreements do not accomplish them, the purposes as outlined and limited in the bill.

Let us not put too much hope in voluntary agreements. The legitimate criticism of the NRA was that often there were combinations of interests which imposed upon small business. If enacted, the administration should be carefully scrutinized as it unfolds to determine if we are nearing the edge of the same pitfall.

One other reason why I support the bill and prefer it to the one which was offered in the House on Monday is that here is a provision that will enable the President to stop the diversion of grain into the manufacture of alcohol. Eight million bushels of grain were used for the making of neutral spirits in the period in which the distillers were supposed to have agreed not to make any liquor; consequently, the alleged voluntary agreement by the distilleries did not accomplish a thing except to give to certain interests of this Nation a chance to use for alcohol 8,000,000 bushels of grain needed for food. I am not fanatical on this question, as all of you know, but in the world's distress today we ought not to withhold from the President a power so desperately needed. One bushel of wheat will keep alive one child 1 month. In considering that fact you will get some idea of the reason the other body put in this bill a provision that will enable the Executive Department to accomplish something which the distillers are unwilling to do.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. HOLIFIELD. I want to point out, though, that the power expires on January 31; in other words, he has about 30 days.

Mr. HAYS. I think we should have extended it until March 1 at least. However, it is a salutary provision as drawn and in January we can give it attention.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I shall vote for the anti-inflation bill, but I do so only because in my opinion, the good points of the bill outweigh the bad. I do not believe that the bill goes far enough in attacking the problem of high prices. I sincerely hope that it will stop the upward spiral. The people of this country expect the Congress to enact

legislation that will stop the continuing increase in the cost of living. If the cost-of-living index continues to rise, it is our duty to enact legislation which will bring about more stringent controls, even though to all of us controls are distasteful and not in the American tradition.

Human misery transcends partisan politics and I can assure you, Mr. Chairman, that there is much misery and suffering in this country today. This is especially true among those people who are required to live on a fixed income. It is my earnest hope that the legislation which we are passing today will correct the situation. In all frankness and honesty, I must say that I am afraid we are sending a boy to do a man's work.

There is one section of this bill with which I am far from satisfied. That is the section which gives to the Secretary of Agriculture the power to limit and allocate grain for beverage distilling purposes. I am not concerned with the limitation of grain, but I am very deeply concerned with the method of allocation. The Secretary of Agriculture has had this power before and small independent distilleries of this country suffered great hardship under the administration of the former allocation program. Grain was allocated entirely on the basis of capacity. One company in Philadelphia, Publicker Industries, Inc., which was enormously expanded through the expenditure of Government money in order to produce alcohol during the war, received 28 percent of all the grain allocated for beverage distilling purposes. On an historic basis this company actually was entitled to less than 3 percent of the grain. When controls were lifted from the distilling industry, the percentage of grain used by this company dropped off sharply.

If this bill were open for amendment I would attempt to amend this section so as to direct the Secretary of Agriculture to allocate the grain in such a manner as to protect the smaller units in the industry. The Secretary of Agriculture has the power under this act to create a monopoly in the distilling industry. When the taxpayers' money was spent to make Publicker Industries, Inc., one of the largest alcohol plants in the world, it was for the purpose of helping the war effort. It was certainly not spent to create an octopus for the destruction of small business. I sincerely trust that the Secretary will give full expression to the historic basis in the allocation of grain for beverage-distilling purposes.

When the Congress reconvenes in January it will be my purpose to give a full report on this entire subject. In the distilling industry we have a clear example of the evils that can develop from the unimaginative use of controls. In our present economy, with demands so far in excess of supply, certain controls are imperative, but these controls must be established and administered in a manner which will not result in the strangulation of small business and will not reduce competition through the creation of a monopoly.

(Mr. MORTON asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, we have only one speaker on this side. May I request that the gentleman from Kentucky yield his time.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Chairman, I do not know that it would be of interest to the membership of the House for me to announce how I propose to vote on the pending resolution. May I say, Mr. Chairman, it seems to me nearly tragic that after we have been called here by the power and authority of the President to legislate on a subject that is not only presently vital but promises to grow more serious and acute as the days and weeks come and go, there should be an effort and a desire to do something that will stop the spiral of inflation that threatens the economy of this Nation and the welfare of the world, and we should not abdicate our position and authority and, might I say, our responsibility, by turning it over to those interests in this country who are largely responsible for the plight we find ourselves in today, and to say that the President of the United States shall be authorized to summon industry and some others named by way of incidental recollection to decide whether we shall have control of inordinately high prices in this country, when we know that they themselves, in the beginning, were largely responsible for the position we occupy today, and that they are interested from a profit motive.

You cannot, in my opinion, Mr. Chairman, vest a man, in a minute with a desire to roll back or to stop the spiral of inflation that has crept over this country largely through a desire of men to get rich, to make millions of dollars and put them into their own pockets. I feel that that part of this bill, which provides such machinery to handle something that is of vital importance and concern to every man, woman, and child in this country, condemns the bill in the eyes of the people of this country. The bill, in effect, turns over to interested parties the solution or handling of our inflation problem, and immunizes them from antitrust laws, something I shall always oppose.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, ladies and gentlemen of the Committee, it is unfortunate that this, the greatest domestic problem before the United States today, should be disposed of in such a short time and under the conditions imposed on the House for consideration of this bill. Those of us who have been in foreign countries that have been stricken down with inflation know the kind of conditions that we are flirting with in this country. The fact that the cost of living during the last few months has risen at the rate of 2 percent per month, and with threatened shortages which may double the cost of living within a year, the stability of this Nation is definitely threatened. And yet we are



forced to consider a bill without an opportunity of amending it; without an opportunity of enacting any real controls.

So far as I can see, this bill does only three things, and I must say that they are worthy. They go about 10 percent of the way of the distance that we should go: Allocation of transportation facilities, control of exports, and the power in the President to prohibit or to limit the use of grain for the making of distilled spirits. Those are things that should be done. I regret that there is not, at least, a residuary power given to the President to allocate scarce commodities and to control certain prices and wages if they continue to rise.

As was stated by the gentleman from Virginia [Mr. SMITH] this morning, where you have a scarcity of certain commodities, the only way you can handle it and prevent spiraling is by real powers. It cannot be done by these expressions of hope.

The test of democracy, Mr. Chairman, is whether in a time of crisis we can act and act definitely and positively to prevent a national disaster. We are not doing so today. I hope the American people will not get in their minds that this bill is going to give them any real relief, because it is not. Control of a grave situation like we have today requires the giving of real powers to our Executive during the time of the emergency.

The gentleman from Oklahoma [Mr. MONRONEY] is going to offer a motion to recommit. I understand it will give the President workable powers instead of the voluntary agreements that may be passed on to him. If that motion to recommit were passed, we would be on the road toward doing something about this inflation issue, but without it we are expressing largely a pious hope. We cannot fool the American people into believing that this weak measure is really going to hold down the cost of living. It is not going to do any such thing.

The President, in his message to Congress, set forth a 10-point program which would effectively hold down the cost of living and prevent further inflation. The bill we have before us today continues in effect three of the points in the President's program. It authorizes him to control exports and to allocate transportation facilities. The third thing the bill does is to authorize the President to control the amount of grain going into making of distilled spirits. I regret that the bill does not go further but I have pledged my people to do everything within my power to hold down the cost of living and to prevent ruinous inflation. Since this measure does have three good points, I expect to vote for it.

The voluntary agreement of distillers to suspend the manufacture of distilled spirits expires on December 25. Yesterday, Secretary of Agriculture Anderson had a meeting with the distillers and tried to get them to voluntarily agree to continuation of this agreement. Some of the distillers refused to agree and, therefore, valuable grain will be used by them after December 25 unless this law is enacted.

I filed H. R. 4799 which would extend the Second Decontrol Act of 1947 and would prohibit the use of grain for the production of distilled spirits unless the President or Congress, by concurrent resolution, found that a sufficient amount was available without jeopardizing our foreign program or to meet domestic need for food purposes. This bill which I filed was referred to the Judiciary Committee and I had made an application for its early consideration. If, however, the present measure is passed that part of the problem will be taken care of. I think I should point out to the House that the distillers ordinarily use about 55,000,000 bushels of grain annually. The Government, through various methods, is desperately trying to conserve 100,000,000 bushels. The distillers during one recent month, when no limitation was in effect, used 11,000,000 bushels and they would probably use a similar amount during January if they were allowed to operate their distilleries.

The reports show that the distillers now have on hand a sufficient amount of spirits to supply consumer demands until June 1950. In the face of this supply, one cannot justify further production when grain is needed so badly to prevent starvation abroad and to supply domestic food needs. Most of the distillers are far-sighted and appreciate the fact that they would be cutting their own throats to operate under these conditions, therefore I am advised a large part of them are willing to carry on their voluntary agreement, but a few of them are not, and this makes the passage of either the bill I filed or the provision contained in this resolution absolutely imperative.

It is hoped that real measures to save the consumers of the Nation may be passed early in the next session. Let us consider briefly the food situation with which we are faced. According to reliable reports, the disastrous corn crop has reduced the national supply of feed concentrates by 16 percent. In New England, the eastern seaboard, the South, and the far West—feed-deficit areas—the supply of feed concentrates is down as much as 25 percent. Feed prices have already spurted to unheard-of levels. By spring wheat may be at \$4 to \$5, corn at three to four, oats at \$1.50 to \$2.

In spite of the voluntary conservation program, we are using up our limited feed supply at a reckless pace. Before the next crops come in feed will not be available in many parts of the country at any price. Dairy herds and poultry flocks will have to be slaughtered in New England, Eastern and Southern States for lack of feed.

Because of shortage of feed and normal seasonal drop in slaughter, the supply of meat will be down next year, and without immediate controls meat prices will rise another 25 to 40 percent.

Butter, milk, and egg supplies will be seasonally high in the spring. This will temper the rise of prices due to decline in supply and rise in the price of feeds. But by summer the rise in these prices will not be far behind the rise in meat prices.

In the year ending November 22, 1947, industrial prices at wholesale rose 32 percent. Hides and leather products rose 26 percent, fuel and lighting materials rose 25 percent, metal and metal products 29 percent, and building materials 31 percent.

According to the Federal Reserve Board, in December one-third of the families of the Nation are using their savings or having to borrow to meet necessary living expenses. This is a grave situation. Think of the white-collar class who cannot keep their earnings up with the rapidly rising cost of the things they must buy. Think of the plight of the people who are living on pensions—they are being squeezed to the limit. The cost of living has been going up at the rate of 2 percent per month. The pace upward is going to be faster and yet we refuse to face the issue today. The plain truth is that allocation and the power to prevent further price rises is necessary if the problem is to be handled effectively. The mere possession of the power the President asked for might enable him to hold the economy in balance. But if the power is not given to him, the spiraling is going to continue.

The gentleman from Kentucky [Mr. SPENCE], has filed a bill, H. R. 4759, which is now before the Banking and Currency Committee. It contains the most of the President's recommendations. The provisions of that bill should be gone over carefully and after consideration and some changes by way of amendments, the bill should be enacted into law before we go home for Christmas. If we don't do it now, conditions are going to get worse and we will finally be forced to a similar measure and then it will be even harder to apply.

(Mr. KEFAUVER asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, as one of the newer Members of the House I dare to rise now and express to you that I came here full of hope. When I listened to the President's message on the first day of my service here I thought that I would have an opportunity to participate in something of real importance and in the making of laws that would really help this country beat down inflation. I return home much disillusioned. I will be able to tell my constituents at home that I had the privilege of seeing the picture of the elephant laboring and bringing forth a mouse. I will be able to tell my constituents that they should pray and pray hard that that mouse does not grow to the proportions of the elephant as it gnaws at the vitals of this country and then destroy that which we have seen grow to be the greatest power in the world. I will have to tell my people that this bill does nothing of real importance to help implement the President's message insofar as control of inflation is concerned.

We have been talking about voluntary agreements for a long time. No one, as far as I have been able to ascertain, has cut the price of a single commodity



because of the threat of legislation such as we have before us. You don't need any agreement to cut prices. If you have something to sell and you want to cut the price, all you need do is to sell it for less.

I regret that we do not have the opportunity to offer amendments to this bill, amendments sufficient really to make it a bill that will work and accomplish something.

It is unfortunate that the Committee on Banking and Currency will not be permitted to take testimony and conduct hearings to establish that if anybody is going to get anything out of this bill it is the small businessman, and he is not going to get any good. He is going to get hurt and hurt terribly.

This Congress has the power to prove that democracy can cure its own ills before they become a devastating plague. It is about to miss that opportunity.

The bill we are now being asked to vote upon, we are told, is but a beginning in the war on inflation. It could be a real all-out effort to stop run-away prices; it could stop unconscionable landlords from aggravating an already intolerable situation. More than 1,000,000 tenants have already been bludgeoned into giving "voluntary" rent increases—thereby decontrolling their homes—because of their fear that even our limited rent controls are about to expire.

This bill as now presented is very much different from the one which was briefly considered by the House Committee on Banking and Currency. Some of the provisions of that bill have been omitted from this one. Other provisions in this bill were not in that one and were not considered by any House committee. Obviously, because of the time limitations put upon us, this bill cannot possibly receive the consideration to which it is entitled.

I will vote for this bill, not because I am satisfied with it but solely because I am now convinced that those in control of this House will not give us an opportunity at this session to consider any other bill to implement the President's program.

As the gentleman from Pennsylvania [Mr. BUCHANAN] said earlier, we will eat crow. I will try to improve the flavor of mine with the hope that the new year will bring better things for us and our country and at a price which we can afford to pay.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I am against Senate Joint Resolution 167, the bill now before us because if I voted for it I would be voting for a measure of no value whatever in our fight against inflation. I want to take the floor at this time to protest the adjournment of this special session of Congress. I feel quite strongly that we have failed absolutely to enact any legislation connected with the high cost of living and as a result the spiral of inflation is continuing to move upward. While we did pass the interim-aid bill to stop the advance of

communism in western Europe and to give aid and assistance to the people of France, Italy, and Austria, we did not face the problem of inflation because of the fact that the Republican leadership was afraid to do so.

They did, I will admit, bring before the House, House Joint Resolution 273 which they offered as their solutions to our inflation dilemma. This resolution instead of effectively legislating on the 10 points which the President asked for in his message to the Congress as necessary to stop inflation, set up instead four very weak provisions which in actuality mean nothing at all and will, in effect, do nothing to stop inflation.

The first provision authorized the President to enter into voluntary agreements with representatives of industry, business, and agriculture so as to provide for allocation of transportation, marketing, and so forth. This provision does not set out any effective penalty or power for the President to enforce such agreements and is, therefore, merely an empty gesture.

The second and third provisions provide for an extension of time from February 29, 1948, to February 28, 1949, on export controls and allocation of transportation facilities. These two provisions are meaningless at this time because these controls are still in effect and will be until February 29, 1948.

The fourth and last provision sets up requirements for the Federal Reserve banks. This provision in itself would not have an immediate effect on the high cost of living throughout the country, but eventually would increase the rate of interest on our stupendous national debt.

Furthermore, under this joint resolution the President could not veto this act because a joint resolution does not require his signature to become effective. This, I think, is a pretty cheap piece of political chicanery.

Under section (c) of this joint resolution, the antitrust laws of our country would be weakened or nullified completely, and it is more than a coincidence that the National Association of Manufacturers has been campaigning in the newspapers of this country for this particular outlawing of the antitrust laws. Is it not odd that this attempt to weaken the antitrust laws of our country coincides with the \$17,500,000,000 in profits which will be piled up by the American industry in 1947. These profits, by the way, represent more than a 40-percent increase over the previous year of 1946.

The Republican-sponsored joint resolution was brought in under a gag rule. The Republican leadership limited the debate on the so-called inflation solution to 40 minutes—20 on each side.

They tried to bring in a bill which the House could not consider intelligently or in detail, and they tried to force through a bill which would place the responsibility on the President without giving him the courtesy to either sign or veto the measure and without making any provision whatsoever to enforce any agreement entered into if this bill were passed. The Republican leadership of this Congress were in effect telling the people this Congress should have only

40 minutes to consider this most important domestic question and that we could either take it or leave it just as it was, without changing a word, without crossing a "t" or dotting an "i."

The American people who are finding it difficult to pay their everyday bills, to keep their children in school, and to put away something for the future, should remember this legislative measure which the Republican leadership tried to force on us at this session.

I feel also that this Congress should not adjourn until this matter is settled definitively because I know that the American people will demand that something be done about the high cost of living, and the only place anything can be done at this late date is in the Congress of the United States.

Mr. Chairman, I should like to quote from the remarks made by the gentleman from Ohio [Mr. SMITH]:

Mr. Speaker, the manner in which the Republican leadership is attempting to steam-roll through Congress the Wolcott bill, also known as the Republican anti-inflation bill, and the contents of the bill itself, are a shameful repudiation of Republican campaign promises and the confidence voters placed in our party at the last national election.

The whole business is an outrage.

This bill was handled by the House Committee on Banking and Currency, of which I am a member. No open hearings were permitted to be held on it. The only consideration given the bill by the committee was in closed or executive session.

It is my understanding the Republican leadership intends to whip the bill through the House, allowing only 20 minutes of debate on each side of the House.

That is what a Republican had to say about the bill being introduced and pushed by his own party. However, this bill failed in passage because the Democrats voted unanimously and were joined by 26 Republicans who could not swallow the bald-faced attempt of their leaders to push on the Congress and the American people a phony bill which would not stop inflation but in fact give it a boost to go still more. This is no time for shadow boxing. This is time to show real concern over the high prices. This is the time for the Republicans to recognize the fact that they are supposed to represent the people of the United States and not just the select few. They surely must know that the American people are concerned because every day that the people go to the market place, they are faced with the economic fact that the value of their dollar is shrinking and the cost of living is increasing. It is my hope that the people will speak to the Republican Members of this Congress when they go home and tell them in no uncertain terms that they expect legislation which will control inflation and which will give a decent degree of security to the people of America.

It is my impression, Mr. Chairman, that had this bill passed, it would have been the greatest hoax which would have ever been perpetrated on the American people. Today, the Republican leadership and majority has again forced on us the same House Joint Resolution 273—with some minor and dangerous additions and we have again been forced,



under a gag rule, to take this or leave it as it is presented to us. Like the previous resolution we cannot amend it or change it one iota.

Mr. Chairman, this bill—Senate Joint Resolution 167—is a fraud and a hoax on the American people. It will no more stop the tides of inflation than Canute could have stopped the waves of the sea. As long as this Congress has failed in its duty to legislate in behalf of the American people and curb inflation I shall, at the opening of the regular session in January, introduce an income-tax reduction measure which will, if passed, be of benefit to the people in the lower income brackets and will help them, in part at least, to alleviate the high cost of living.

Mr. Chairman, I shall vote against Senate Joint Resolution 167 and I shall oppose the adjournment of this session because I feel strongly that the bill is absolutely inadequate and because I feel it is the duty of Congress to stay in session until this very vital and important matter of inflation is attended to.

(Mr. MANSFIELD asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, aside from the label on this bill, which for some strange reason is called an "anti-inflation bill," there is very little good in the bill. I agree with my colleagues who have said it will have absolutely no effect on the present skyrocketing cost of living. If it is sold to the country on that basis, it is completely a misnomer.

This bill is still a straw man. The 20 percent of the President's 10-point program that are in the bill, namely: the extension of export control and the extension of controls over transportation could pass the House any day by unanimous consent and every Member of the majority party knows it.

Therefore, you are not putting anything genuinely effective in the bill that we could not do here in 5 minutes when the House is in regular session.

You are sending Caspar Milquetoast out to combat the giant of inflation. You might as well know that the bill was doomed to failure in controlling inflation so far as the public is concerned before it was ever brought out.

This bill is a slight improvement over the form in which it was previously considered. The antitrust sections have been strengthened and improved, so it does not give you carte blanche exemption to conspire to eliminate competition. This new bill also eliminates the dangerous provision with reference to the Federal Reserve gold requirements, which had never been discussed and considered by the committee.

It is a great deal weaker on the question of feed. When your dairy farmers need feed and concentrates this winter and nobody in the Government can help by ordering a set aside of the stocks of

big quantities of feed so that the farmers can keep their dairy herds alive, you men from the Northeastern States are going to be sorry that you voted for this Caspar Milquetoast bill.

You are going to find out that the voluntary controls are not going to be enough, just the same as they were not enough so far as the voluntary liquor "holiday" is concerned that my colleague from Arkansas so ably described.

You are going to find out that these are actually only voluntary controls to the top-flight layer of our big business. We are actually surrendering to big business groups the power to allocate and the power to ration, because that is what the effect will be on all of the little processors and all of the little manufacturers and all the rest of the people of the country.

This is voluntary only so far as people at the top are concerned, and we as Members of Congress and the policy makers of the Government are not meeting our responsibilities by surrendering compulsory allocation to business groups without proper regulation to insure the public interest.

I yield to my distinguished colleague, the gentleman from New York.

Mr. O'TOOLE. I thank the gentleman from Oklahoma for his kindness in yielding to me at this time. Under the gag rule that this joint resolution has been brought before the House, it would be impossible for me to discuss the resolution if the gentleman had not been so kind.

I cannot in justice to myself or to my constituents support this resolution. It is false in its nature and it is false when termed an "anti-inflation bill," for it gives absolutely no relief to the great mass of our people who are protesting against the high cost of food, clothing, rent, and the other essentials of life.

My feeling on this score is not a mere whim or caprice. I feel very deeply on these questions. On September 8, 1947, shortly after this Congress adjourned, I wrote to the President of the United States and asked that in view of the economic plight in which the American people found themselves that he call a special session of the Congress to consider legislation that might alleviate the high cost of food, clothing and which would continue and strengthen rent control. I reminded the President in my communication that unless such action was taken the people of the United States could not become interested in foreign relief or the Marshall plan. I reminded him that under existing conditions the average family was slowly but surely being forced into debt and in many instances into poverty.

The President in his response said:

I read your letter of the 8th with a lot of interest. I found it on my desk when I returned from Brazil.

I certainly appreciate your grasp of the situation which we are facing now. I am giving it every consideration and will reach a decision, I hope, sometime soon as to the best manner of approach.

The President was a man of his word. He issued a call for a special session of the Eightieth Congress to begin on No-

vember 17. Immediately the Republican spokesmen in both this House and in the Senate raised a hue and cry against any consideration of the high cost of living or the rent situation. The President appeared before this body after we convened and laid out a 10-point program, which if carried out would have afforded genuine relief to the American people and would have brought about a great degree of economic stability. The Republican leadership, taking its cue from the National Association of Manufacturers, immediately determined that the President's program should not pass. In fact, the party's chief spokesman took the air that night and denounced the program in such wild and biased fashion that members of his own group had to take him to task.

The Republican Party, now in control of both the Senate and the House, has the sole say as to what legislation the Congress may consider, and since November 17 to date has steadfastly refused to give any study, any consideration, or brought forth any legislation that would provide genuine relief for our people. It was decided some time ago by the Republican leaders that today, December 19, would be the final day of the special session. On the evening of December 18 they rushed this so-called anti-inflation bill through the Senate and are bringing it out this morning before the House under a gag rule which forbids amendments or deletions. Further, they limit debate to 1 hour on the questions which are of paramount importance to the United States—high cost of living, rent control, and inflation control. With their usual chicanery they have placed a clause in the resolution governing the control of wheat, and because of this clause they call the bill an anti-inflation measure despite the fact that it in no way makes any effort to control the rising prices on any other commodity that the American people must consume or use.

Some of my colleagues are saying that it is a bad measure, but because it contains half a loaf they must vote for it. I say, my friends of the House, that it does not contain a half a loaf, nor does it contain a sixteenth of a loaf. It is merely another effort to fool and deceive the people of this country. Let us have it right out in the open and admit to our constituents that the Republican leadership of this House during the past 6 weeks of the special session has absolutely and unequivocally refused to consider for one moment the question of inflation or the high cost of living.

I warn my friends on both sides of the aisle that this problem is so much a part of American life that it will be impossible to deceive the people and make them think that anything has been done.

In view of my strong feelings on this matter, if given the opportunity, I shall vote to recommit the bill, and, further, I will absolutely vote against it. Then if a motion to adjourn this special session is made, I shall oppose that motion and endeavor to keep this Congress in session until such time as proper thought, consideration, and legislation is developed,



and until such time as the President's program in its majority is adopted.

Mr. MONRONEY. I am glad to have the observation of the gentleman from New York.

I might add, you are turning over to the very men, the National Association of Manufacturers, and others, and the heads of all the trades associations who did so much to contribute to our present skyrocketing cost of living, the power to administer this alleged solution.

I am going to offer a motion to recommit. It is a very simple motion. On page 2, line 3, I will propose new language. The bill reads, "The President is authorized", and I will add, "to issue regulations and orders and to" and then pick up the bill's language reading, "consult with industry for voluntary allocations."

Thus we will have not only the so-called hopeful voluntary agreement, but we give the President the power, within limits already spelled out in the bill, to prescribe as well as voluntary agreements real authority also to allocate scarce materials on which the very foundation of the economy of this country depends. The limits on the voluntary agreements also become the limits on presidential authority in this regard.

Thus it will not be a Milquetoast bill if you give this authority to the Government. If voluntary controls do not work, you will at least be giving the President authority to exercise some power in allocating items spelled out and limited by the terms of the bill.

I yield to my distinguished friend, the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Will the gentleman give us the page and line where he proposes to insert this new language in his motion to recommit so that we can read it into the language of the bill as we now have it?

Mr. MONRONEY. On page 2, starting at section 2, my amendment would make it read as follows:

In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to issue regulations and orders and to consult with representatives of industry, business, and agriculture, with a view to making agreements.

Thus the President will have this authority if you vote for the motion to recommit. If you vote against the motion to recommit, you are just making a gesture and turning over governmental powers of allocation to private business.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Chairman, in voting for this bill, House Joint Resolution 167, I fully realize that the measure does not meet the needs. We must be realistic and since the majority party has thus by a second gesture indicated that the pending measure was all that we could expect to get during this session, it is better to take a portion of a loaf than no loaf at all. The bill is not identical to the one we considered in the House same days ago. Some of the

more objectionable features have been eliminated.

If for no other reason at all, I vote for this bill because it extends the power of the President to limit the amount of grain used by distilleries and breweries. I regret that this extended authority terminates under the bill on January 31, 1948. The so-called liquor holiday heretofore entered into expires on Christmas Day. Without some authority unprecedented quantities of grain will be used in the distillation of intoxicating beverages. When Congress reconvenes in January, I expect to work for the passage of a measure which will effectively limit the use of grains in the manufacture of liquors at least for the duration of the emergency. The liquor interests have indicated that they will not cooperate voluntarily on any reasonable basis in the limitation of the grain that they use. Their record thus far during this great crisis in which millions of people throughout the world are slowly starving for lack of bread proves that they are devoid of conscience.

The distilleries and breweries have approached this grave problem with the same strategy of lies that has characterized their dealings with the public for time immemorial.

When the present liquor holiday was first proposed, leaders of the industry agreed to close down simply because they were on the spot, and then boasted that the holiday would in no way affect the output of their vile product because of a 6-year supply on hand. Then in a desperate effort to swing public opinion their way, the liquor producers appealed in the name of the 50,000 to 100,000 people who, they claimed, would be put out of work by the shut-down. Yesterday, the President reported that only 414 employees are jobless as a result of the close-down. Of the 965 workers who lost their jobs, 551 already have been placed in new jobs by the United States Employment Service.

There is nothing strange in the fact that the leaders of this nefarious trade should perpetrate falsehoods and half-truths to combat the rising tide of public opinion which will not long countenance the substitution of intoxicating beverages for the bread that is sorely needed around the world. These are the same people who claimed there would be less drinking and less crime after repeal of the eighteenth amendment. These are the selfsame people who now answer the anguished cries for bread with, "Let them have beer."

The Department of Agriculture estimates that next year's wheat crop will be 229,000,000 bushels below this year's production. Even this year the supply was inadequate and it became necessary to invoke voluntary restrictions on the use of wheat as stock feed for human consumption.

The liquor interests are now quibbling over whether they should be allocated 2,500,000 or 3,500,000 bushels of grain per month. Mr. Speaker, not 1 bushel of grain should be allowed to pour down the hoppers of the alcoholic beverage industry until such time as all other needs for grain are met in abundance.

What excuse or justification can we offer for withholding grains from livestock and from human consumption while the distillers and breweries are running and turning millions of bushels of valuable grain into liquor and beer.

As I have stated, this bill does not meet the needs but it is the best we can do now.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I asked the gentleman to yield so that I might ask if the gentleman would get permission for all Members to extend their remarks in the Record.

Mr. WOLCOTT. I will assure the gentleman that when we go back in the House I will make that request.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

(Mr. McCORMACK asked and was granted permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, the responsibility for this legislation rests upon the majority party in this body. The Republican Party is in control of the House of Representatives and in control of the United States Senate. The Republican Party controls both branches of the Congress. Therefore, the Republican Party controls all legislative action. Unless the Republican Party permits a bill to come up on this floor or in the other branch, it is impossible for the membership of this body or of the other branch to act upon any legislation. Only legislation that the Republican leadership in its wisdom decides should come up in this branch can come up in this branch. Therefore, the responsibility, absolutely and unconditionally, for this legislation coming up in its present form, and under a closed rule, preventing amendments being offered by a Member, rests entirely upon the shoulders of the Republican Party.

Now, let us see what happened. Only a little over a year ago the people of America were promised that within 60 days after controls were taken off everything would be plentiful, under the normal operation of the law of supply and demand, and at lower prices. That was a definite promise made to the American people last fall before the last election. Now, what has happened? Are there lower prices? For 55 months prior to June 30, 1946, the over-all average increase in the cost of living was 23 percent. From the time of the late President Roosevelt's hold-the-line order in 1943 until June 30, 1946, the average over-all increase in the cost of living was 6.1 percent. Covering the whole 55 months, or nearly 5 years, preceding and during the war, there was an average increase of 23 percent in the cost of living. Within 12 months after controls were taken off, the average increase was 24 percent. In other words, the increase in the cost of living to the American people, the average of all increases, within 12 months after controls were taken off, was more than it had increased during the preceding 55 months.



The promise was made that there would be lower prices. All I can say is that as a result of that increase in the cost of living the American consuming public has paid since July 1, 1946, at least \$15,000,000,000 more for the things they purchased than they would have paid if there was justifiable and proper control under the emergency.

Under rent control let us see what has happened. The percentage of change in residential rents from September 1939 to May 1942 was increased 5.2 percent. From May 1942 to December 1942 it was increased 1.7 percent. Then we put through rent control legislation and from December 1942 until June 1947, nearly 5 years, the increase in rent was 1.1 percent.

Decontrol on rent has been in effect for only a few months, from June 1947. That gives us July, August, September, and October, 4 months. The increase during that time has been 5.2 percent; and this is based upon a survey made by the Labor Department on the percentage of change in residential rents in 34 large cities. In other words, for a period of nearly 5 years the tenant in this grave emergency that exists in relation to housing was protected and the increase was 1.1 percent, but within 4 months after decontrol, rents increased 5.2 percent. If there was ever a record of broken promises that is the record, and it is laid right at the door of the Republican Party.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. MURRAY.]

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I think most of us understand how easy it is or administration spokesmen to pass the blame around. One of the things we have failed to keep in mind is the fact that the subsidies made the consumer believe he was obtaining food for less than he was. Personally, I am getting tired of having anybody on the other side of the aisle hold me responsible for the things they do themselves. This administration has the power and the authority and the money to control prices whether they are high or low anytime they want to assume the responsibility for so doing. They have put some of them up and they have put some down. Now, that is proven and I will yield to any Member on this side of the aisle to say whether they like the price of poultry at the present time. Now the chicken prices were ruined and vegetable oil prices were advanced by direct acts of the administration.

This administration through voluntary agreement, if you please, by voluntary agreement has fixed a set-up whereby chickens today all through the Midwest are selling for from 50 to 60 percent of parity when the law says they shall receive not less than 90 percent of parity. Now who controlled that price? Did the legislative branch of this Government or any Member of it?

Here is another. What I would like to ask the administration here today is why they should blame anyone else because prices of oils and fats are high when their Secretary of Agriculture goes out and puts 150 percent of parity floor price under flax? This was put on last spring after the OPA was dead and buried and all the pallbearers had gone home and taken their white gloves off. The Secretary of Agriculture put 150 percent of parity under this vegetable oil. This act placed a support price of 25 to 30 cents a pound support for a vegetable oil. Indirectly this 25 to 30 cents per pound support price on flaxseed or linseed oil has a tendency to place a comparable support price on other vegetable oils and also animal fats of equal food value. If a pound of lard has equal food value to a pound of vegetable oil that has a 25 to 30 cent per pound support price how does anyone expect to put a ceiling on pork and get any meat? If lard, the cheapest part of the hog is to have a 25 to 30 cent comparable support price how do you expect to have cheaper hog prices?

The administration may have pleased the users of linseed oil, and it may have shown Peron that he could not fix the price of linseed oil but the result of the 150 percent parity floor set up for this commodity cost the American consumers millions upon millions of dollars in the grocery bills.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself the balance of the time.

The CHAIRMAN. The gentleman from Michigan yields himself 20½ minutes.

Mr. WOLCOTT. Mr. Chairman—  
Mr. HESELTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HESELTON. On last Monday we had House Joint Resolution 273 before the House. The gentleman from Michigan was good enough to examine the provisions of that resolution and advise us as to the application of that resolution to a recommendation which had been made by Governor Bradford, of Massachusetts. It is found on page 11514 of the RECORD of that date. The heart of the recommendation was that legislation should be passed promptly to permit the pooling of information and supplies by oil distributors. Having in mind particularly our very critical situation in New England, I have examined the provisions of section 2 of the pending bill. I do not find much essential difference between them. I would like for the RECORD an expression of opinion from the chairman of the committee as to whether this meets the recommendations made by Governor Bradford.

Mr. WOLCOTT. The language in Senate Joint Resolution 167 is not too different in that respect from the language contained in House Joint Resolution 273 which, as noted by the gentleman, was before the House when I made that explanation. So we can give the gentleman assurance that the situation is not changed in Senate Joint Resolution 167 and that these voluntary agree-

ments may be entered into looking into a better distribution of petroleum and other products in the New England States.

Mr. HESELTON. I thank the gentleman.

Mr. WOLCOTT. Mr. Chairman, the gentleman from Massachusetts [Mr. McCORMACK] implied that there was something wrong with the age-old law of supply and demand, that prices started going up when the controls were taken off. In order to keep the record straight in that respect, however, I believe I should call attention to the committee report on House Joint Resolution 273. On page 3 of that report we called attention to the fact that the President of the United States in his statement of November 9, 1946, had this to say:

The common control over prices and wages is justifiable only so long as it is an effective instrument against inflation. I am convinced that the time has come when these controls can serve no useful purpose. I am indeed convinced that their further continuance would do the Nation's economy more harm than good. In short, the law of supply and demand operating in the market place will from now on serve the people better than would continued regulation of prices by the Government.

We explained in our report that in consequence of the vague nature of the testimony of Government witnesses before the committee in respect to the President's program we did not have sufficient evidence before us to justify a reversal of the President's position which he had taken on November 9.

The Senate joint resolution that comes before us differs somewhat from the resolution which we had before us on last Monday. The purposes of the two, however, are identical.

In this connection, I would like to touch, briefly, upon the proposed motion to recommit which the gentleman from Oklahoma [Mr. MONRONEY] says he will offer. If you will turn to page 2 of your bill, section 2, you will find that if the motion to recommit prevails it will read, in part, as follows:

In order to carry out the purposes declared in section 1 of this joint resolution the President is authorized to issue regulations and orders—

Let us stop right there. What goes on after that is in addition to and not in modification of the language which I have just read. So if you adopt the motion to recommit to be offered by the gentleman from Oklahoma you will, by that language, authorize the President, without any restraints, without any standards, without the adoption of any formula which would comply with the Schechter case and write an obviously unconstitutional bill, a bill which would give him unusually large authority over the control and management of our economy, more power, more authority, than any President has ever asked for and under the American form of government more power than any President should have.

I am just wondering how many of the constitutional Democrats are going to vote for a motion to recommit, which will give the President the authority to con-



trol our economy by regulation or order, without any limitation whatsoever upon that authority. I do not think that any Member, conscious of the oath which he took to protect and defend the Constitution of the United States, can vote for that motion.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield at that point?

Mr. WOLCOTT. Just a moment. I cannot yield at this time because the gentleman has given us an issue here and I want to develop it.

What are the purposes of this resolution? First, to aid in curbing inflationary tendencies. The President, under the language which will be offered by the gentleman from Oklahoma, by regulation or order can stabilize the economy of the United States or take any action which he deems is necessary to stabilize the economy of the United States. Those are rather broad powers. He may, by regulation or order, aid in the curbing of inflationary tendencies. He may by regulation or order, promote the orderly and equitable distribution of goods and facilities. He may, by regulation or order, aid in preventing the maldistribution of goods and facilities which basically affect the cost of living or industrial production.

Now, that would give him authority to manage our economy, and therein lies the basic, fundamental difference in the thinking between the two extremes. I am a little surprised that the gentleman from Oklahoma should go to that extreme which, under the power contained in his motion, could result in the socialization of our economy. Now, if you on that side want to take the responsibility for giving your President and my President the authority to manage our economy, then do it in a constitutional way; write some standards in there for his guidance, surely; write a formula by which he can do this job, but until you are willing to do that, do not give us these weasel words. If you want to derstroy the American form of government, why do you not come out and directly say so? Why do you use this language which would create the authority to do it indirectly?

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I know the chairman desires to be fair, and does not imply that any Member will violate his oath of office.

Mr. WOLCOTT. I hope not.

Mr. MONRONEY. The modification I am adopting in this case is a modification of the limitation placed on the voluntary agreements.

Mr. WOLCOTT. Listen, I graduated from law school in 1915. I have been rather closely affiliated with the practice of law since then until I came to Congress a long, long time ago—17 years ago. Since I have been in Congress I have had something to do with the drafting of legislation. I think I can read the English language. I think I can read that when you put an "and" in, it is a conjunction. That is a simple answer to the gentle-

man's contention. You have an "and" in there, so the language following your "and" after the word "order" is not a modification of the language which you write in. Now, you better redraft it if you are going to submit it or take the consequences.

Now, let us get back to the bill. Under section 2 of the Senate joint resolution, it will be noted that they have deleted the section in the House joint resolution which provided for agreements for the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain. Now, I think also, as a matter of interpretation, since the Senate committee deleted that language and offered the amendment on the floor of the Senate, which was adopted by the Senate, it follows that it is clearly the intent of the Congress that none of the agreements specified in section 2 and none of the action which might be taken in respect to the suspension of the antitrust laws will in any manner apply to any agreement in respect to the feeding of grain, or will not apply in any way to the regulations and orders providing for the marketing of livestock and poultry or the efficient utilization of grain. So the objection in the House bill in that respect which some of the Members were fearful might result in some management over our agricultural industry, which was not intended, is not in Senate Joint Resolution 167.

The difference in effect between the anti-trust provisions of the House bill and the anti-trust provisions of Senate Joint Resolution 167 is the difference between tweedle-dee and tweedle-dum. Under the House joint resolution the President would have been given authority without any restraint to delegate the supervision of these consultations and the approval of the agreements to any officer of the Government, which of course would include the Attorney General. The only difference in effect between the language of the Senate joint resolution and the House joint resolution is that we have tied the President's hands a little tighter and provide that the agreements shall not be effective until they are approved by the Attorney General. So I do not think there is any particular reason why we should argue too long about that.

I might also call your attention to another limitation in the language which was suggested by Secretary of Commerce Harriman, and this language in the Senate joint resolution is the language which the Secretary of Commerce sent down. In the House bill we sought as far as possible to postpone the operation of State anti-trust laws. We thought about it for a long while when drafting it. We were not just sure whether the Federal Congress could pass any law which would set aside the operation of State anti-trust laws, but we did think there might be occasions when the effectiveness of the State law might depend upon a Federal law, and that, as far as we could do so in the Federal Congress, we would set aside the operation of State anti-trust laws. Now, of course, you have failed to remove one of the obstacles which might en-

courage industry to sit down and consult with Government, because if there is a State anti-trust law prohibiting their entering into the agreements, then the action in this bill of course does not effect that, even though otherwise under the decisions they could have done so. I do not see much more to that proviso. In effect, it would operate about the same as the House bill.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. RAYBURN. I do not know whether or not the gentleman has reached section 7 yet.

Mr. WOLCOTT. No, I have not.

Mr. RAYBURN. However, many of us over here are very curious to know what the gentleman's reaction to that is and what his explanation is.

Under the heading "Production of foods in non-European foreign countries" on page 7 of the bill, among other language, we find the following:

Such projects may include procurement, the making of advances and price guarantees—

And so forth. Now to whom and to what extent, and where are those price guarantees going to be applied?

Mr. WOLCOTT. I assume that that language was put in by the Senate in keeping with the request of the President.

Mr. RAYBURN. If the gentleman will permit me to interpose, I want to say that those guarantees are much broader than anything that was ever given to the American farmers.

Mr. WOLCOTT. I assume that the action of the Senate is in consequence of the request of the President as contained in his message of November 17. His sixth point reads as follows:

To enable the Department of Agriculture to expand its program of encouraging the conservation practices in this country and to authorize measures designed to increase the production of foods in foreign countries.

That language is undoubtedly in consequence of the President's request for authority to do that. I think the senior Senator from Kentucky offered it in the other body and it was adopted in the belief that it complied with the President's wishes in that respect.

I might go on to say that that program must be submitted to the Congress and the Congress must approve it or disapprove it within 60 days, or otherwise it becomes law.

Mr. RAYBURN. May I observe that of course that is the gentleman's explanation of the meaning of section 7.

Mr. WOLCOTT. Unless the Congress within 60 days adopts a concurrent resolution, then the program becomes effective. But have in mind, the program is promulgated by the Commodity Credit Corporation. So in addition to the fact that we can prevent the operation of any program by passing a joint resolution within 60 days after we convene next year, because they do not have any program yet, and of course they cannot send it down to us until we reconvene, let us say in 30 days, which will be in January,



they cannot put a program into operation before March 1. Have in mind also that before that time the Committee on Banking and Currency or the Committee on Agriculture or both committees must give consideration to whether or not and in what form the Commodity Credit Corporation is to be extended, because the Commodity Credit Corporation expires on June 30, 1948.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time has expired.

Does the gentleman from Michigan wish to offer any committee amendments?

Mr. WOLCOTT. No, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PHILLIPS of California, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States and for other purposes, pursuant to House Resolution 412, he reported the joint resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

Mr. MONRONEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MONRONEY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MONRONEY moves to recommit the bill to the Committee on Banking and Currency with instructions to report the bill back to the House forthwith, with the following amendment: Page 2, line 4, after the word "authorized" insert "issue regulations and orders and to."

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and on a division (demanded by Mr. MONRONEY) there were—yeas 73, noes 156.

So the motion was rejected.

The SPEAKER. The question is on the adoption of the resolution.

Mr. WOLCOTT. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 282, nays 73, not voting 78, as follows:

[Roll No. 152]

YEAS—282

Allen, Calif.	Andrews, Ala.	Bates, Mass.
Aiken, Ill.	Angeli	Battle
Almond	Arends	Beall
Anderson, Calif.	Auchincloss	Beckworth
Andresen	Bakewell	Bell
August H.	Barrett	Bender

Bennett, Mich.	Grant, Ala.	Miller, Nebr.
Bishop	Grant, Ind.	Mills
Blackney	Gwynne, Iowa	Morgan
Bland	Hale	Morris
Bloom	Hall	Morton
Boggs, Del.	Edwin Arthur	Muhlenberg
Bolton	Hall, Leonard W.	Multer
Bonner	Halleck	Mundt
Boykin	Hand	Murdock
Bradley	Hardy	Murray, Tenn.
Bramblett	Harless, Ariz.	Nicholson
Brehm	Harness, Ind.	Nixon
Brophy	Harris	Nodar
Brown, Ga.	Hart	Norblad
Brown, Ohio	Harvey	Norrell
Bryson	Hays	Norton
Buchanan	Hedrick	O'Brien
Buck	Herter	Owens
Bulwinkle	Heseltun	Patman
Burke	Hess	Phillips, Calif.
Byrnes, Wis.	Hill	Phillips, Tenn.
Camp	Hinshaw	Ploeser
Canfield	Hobbs	Plumley
Cannon	Holmes	Potter
Carroll	Horan	Potts
Carson	Jackson, Wash.	Poulson
Case, N. J.	Jenison	Price, Ill.
Case, S. Dak.	Jenkins, Ohio	Priest
Celler	Jennings	Ramey
Chadwick	Johnson, Calif.	Rayburn
Chapman	Johnson, Ill.	Redden
Chelf	Johnson, Ind.	Rees
Chenoweth	Johnson, Tex.	Reeves
Chiperfield	Jones, Ala.	Regan
Church	Jones, N. C.	Rich
Clason	Jones, Wash.	Richards
Coffin	Jonkman	Riehlman
Cole, Kans.	Judd	Riley
Cole, N. Y.	Karsten, Mo.	Robertson
Combs	Kean	Robison
Cooper	Kearney	Rockwell
Corbett	Kearns	Rogers, Fla.
Cotton	Keating	Rogers, Mass.
Cravens	Kee	Rohrbough
Crow	Keefe	Ross
Cunningham	Kefauver	Russell
Dague	Kelley	Sadlak
Davis, Ga.	Kerr	Sadowski
Davis, Wis.	Kersten, Wis.	St. George
Dawson, Utah	Kilday	Sarbacher
Devitt	King	Sasser
D'Ewart	Klein	Scott, Hardie
Dingell	Knutson	Scott,
Dolliver	Landis	Hugh D., Jr.
Dondero	Lane	Scrivner
Donohue	Lanham	Seely-Brown
Doughton	Latham	Sheppard
Durham	Lea	Simpson, Pa.
Eaton	LeCompte	Smathers
Eberharter	LeFevre	Smith, Maine
Elliott	Lesinski	Smith, Va.
Eliis	Lewis	Snyder
Ellsworth	Lichtenwalter	Somers
Elsaesser	Lodge	Spence
Elston	Love	Stefan
Engel, Mich.	Lyle	Stevenson
Engle, Calif.	Lynch	Stigler
Evins	McConnell	Taber
Fallon	McCormack	Talle
Feighan	McCormack	Thompson
Fellows	McCowan	Tibbott
Fenton	McCulloch	Tollefson
Flannagan	McDowell	Twyman
Fletcher	McGarvey	Van Zandt
Fogarty	McGregor	Vinson
Foote	McMahon	Vorys
Forand	McMillan, S. C.	Wadsworth
Fuller	McMillen, Ill.	Walter
Gamble	Mack	Weichel
Garmatz	MacKinnon	Welch
Gary	Macy	Whittington
Gearhart	Maloney	Wigglesworth
Gillette	Marcantonio	Wilson, Ind.
Goff	Mathews	Wolcott
Goodwin	Meade, Ky.	Wood
Gordon	Meade, Md.	Woodruff
Gore	Morrow	Youngblood
Gorski	Meyer	Zimmerman
Graham	Michener	
Granger	Miller, Md.	

NAYS—73

Abernethy	Cooley	Havenner
Albert	Crawford	Hendricks
Andersen	Curtis	Hoffman
H. Carl	Deane	Holifield
Arnold	Douglas	Hope
Banta	Fernandez	Huber
Blatnik	Folger	Hull
Buffett	Gathings	Jensen
Burleson	Gross	Kennedy
Clark	Gwinn, N. Y.	Kirwan
Clevenger	Hagen	Larade
Cole, Mo.	Harrison	Lemke

Lucas	O'Konski	Simpson, Ill.
Ludlow	O'Toole	Smith, Ohio
Lusk	Pace	Stockman
Madden	Passman	Teague
Mahon	Peden	Thomas, Tex.
Manasco	Peterson	Vurseil
Mansfield	Pickett	Wheeler
Martin, Iowa	Poage	Whitten
Mason	Rankin	Williams
Miller, Calif.	Sanborn	Wilson, Tex.
Miller, Conn.	Schwabe, Mo.	Winstead
Monroney	Schwabe, Okla.	Worley
Murray, Wis.	Short	

NOT VOTING—78

Allen, La.	Fulton	Powell
Andrews, N. Y.	Gallagher	Preston
Barden	Gavin	Price, Fla.
Bates, Ky.	Gillie	Rabin
Bennett, Mo.	Gossett	Rains
Boggs, La.	Gregory	Reed, Ill.
Brooks	Griffiths	Reed, N. Y.
Buckley	Hartley	Rivers
Busbey	Hébert	Rizley
Butler	Heffernan	Rooney
Byrne, N. Y.	Hoeven	Sabath
Clements	Jackson, Calif.	Scoblick
Clippinger	Jarman	Shafer
Colmer	Javits	Sikes
Coudert	Jenkins, Pa.	Smith, Kans.
Courtney	Johnson, Okla.	Smith, Wis.
Cox	Keogh	Stanley
Crosser	Kilburn	Stratton
Davis, Tenn.	Kunkel	Sundstrom
Dawson, Ill.	McDonough	Taylor
Delaney	Mitchell	Thomas, N. J.
Dirksen	Morrison	Towe
Domengeaux	O'Hara	Trimble
Dorn	Patterson	Vail
Drewry	Pfeifer	West
Fisher	Philbin	Wolverton

So the joint resolution was passed.

The Clerk announced the following pairs:

Additional general pairs:

Mr. Thomas of New Jersey with Mr. Sabath.  
 Mr. Coudert with Mr. Cox.  
 Mr. Sundstrom with Mr. Brooks.  
 Mr. Andrews of New York with Mr. Price of Florida.  
 Mr. Hartley with Mr. Sikes.  
 Mr. Jackson of California with Mr. Gregory.  
 Mr. Rizley with Mr. Keogh.  
 Mr. Scoblick with Mr. Trimble.  
 Mr. Smith of Kansas with Mr. Dorn.  
 Mr. Kilburn with Mr. Colmer.  
 Mr. McDonough with Mr. Heffernan.  
 Mr. Kunkel with Mr. Morrison.  
 Mr. Busbey with Mr. Domengeaux.  
 Mr. Butler with Mr. Rooney.  
 Mr. Dirksen with Mr. Hébert.  
 Mr. Fulton with Mr. Delaney.  
 Mr. Gallagher with Mr. Drewry.  
 Mr. O'Hara with Mr. Byrne of New York.  
 Mr. Mitchell with Mr. Jarman.  
 Mr. Jenkins of Pennsylvania with Mr. Philbin.

Mr. Hoeven with Mr. Boggs of Louisiana.  
 Mr. Towe with Mr. Rains.  
 Mr. Taylor with Mr. Buckley.  
 Mr. Vail with Mr. Rivers.  
 Mr. Gavin with Mr. Gossett.  
 Mr. Wolverton with Mr. Preston.  
 Mr. Stratton with Mr. Davis of Tennessee.  
 Mr. Smith of Wisconsin with Mr. Rabin.  
 Mr. Reed of Illinois with Mr. Dawson of Illinois.  
 Mr. Gillie with Mr. Stanley.  
 Mr. Griffiths with Mr. Allen of Louisiana.  
 Mr. Clippinger with Mr. Pfeifer.  
 Mr. Bennett of Missouri with Mr. Bell.  
 Mr. Reed of New York with Mr. Powell.  
 Mr. Patterson with Mr. Barden.

Mr. PETERSON changed his vote from "yea" to "nay."

Mr. REES changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.



finished and we will attend to it." With irony, my constituent adds, "Some efficiency!"

She then goes on to point out that four of the completed apartments have been rented to well-to-do widows and a fifth to a spinster, all of whom are able to pay whatever rent the landlord sees fit to charge. She points out that 38 tenants have been evicted, among whom are 14 ex-servicemen.

She states that the number of people housed in the new accommodations after they are completed will not exceed and may be less than the number who were accommodated before this conversion took place.

Of course the motive actuating Congress at the last session in providing an exemption from control for newly converted living quarters was to make greater housing accommodations available and to encourage construction and conversion of old buildings for that purpose. Apparently, however, it has been possible, perhaps because of administrative laxity, for this objective to be thwarted and for landlords to take advantage of this provision of the law in order to obtain unconscionable increases in rentals without any corresponding benefits to the general housing situation by providing greater accommodations.

It is suggested, therefore, that, either by amendment of section 202 (c) (3), or otherwise, if this exemption of newly converted dwellings is to be continued, some limitation should be imposed to require that substantially more people be housed by the reconversion or other appropriate steps be taken to put an end to such abuses as have here been pointed out.

My attention has been called to another inequity in the provisions of the law or its administration. Under section 204 (b), if a landlord and tenant voluntarily entered into a written lease expiring on or after December 31, 1948, they could agree to an increase in existing rental of 15 percent or less, which must be recognized by the Housing Expediter. Once this arrangement has been entered into, the premises covered by it are no longer subject to control at any time.

Thus, if rent control should be extended, we would be presented with this anomalous situation. Apartment A would be occupied by a tenant who had agreed to—let us say—a 15 percent increase in his rent and Apartment B by a tenant who had been unwilling to enter into such an agreement. After December 31, 1948, unless the provisions of this law, or at least its administrative interpretation is changed, Apartment A would be completely free from control and the landlord permitted to charge any amount, while right beside it duplicate apartment B would still be subject to a controlled rent.

This is an obvious injustice, which it seems to me should also be the subject of careful study by the Committee on Banking and Currency when they start hearings in the next session regarding possible changes in the rent-control law.

### Plight of Small Businessman

#### EXTENSION OF REMARKS

OF

### HON. ELLSWORTH B. FOOTE

OF CONNECTICUT

#### IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. FOOTE. Mr. Speaker, the high cost of living is the burning issue of the day. Shortage of production is primarily the cause of it. Today we have scarcity, not much competition, not enough production, laws, rules, regulations, and bureaus which cause a general stranglehold on small business. We have uncertainty, high taxes, frequent warnings of probable scarcity of items to come, which in turn make scarcity of those items and lend color to the return of the old OPA, and give a general lack of confidence in the future. Big business can get along but even it is continually raising prices. It is truly a vicious cycle. The common man and the small businessman has not much chance to improve. Everyone who analyzes the situation knows that we do not need more controls. We do not need freezes. Price fixing does not increase production. When prices are fixed legitimate producers run into difficulties making ends meet and naturally take no risk of expansion. Hence, the products become more and more scarce and find their way by resale into black markets. Economy in government will help, but that alone is not enough.

We do not need to fall back on the Government to prime the pump forever. We must straighten this mess out by standing on our own feet. Eminent economists and leaders of labor and industry say we need more production. It is true that increased production is inflationary until such time as it reaches the point of meeting the demand. But we should think of creating production in terms of also creating competition, which, as surely as the sun rises, will lower present price levels. Small business can produce, if given a chance, as well as big business. Small business was absorbed by big business during the war, as statistics so prove. The Small Business Committee of the House has done much to aid, assist, and inspire the small businessman. However, it is true today that any small corporation or business group desiring to expand or to engage in new business is hesitant to do so because of the uncertainty of the future. With an opportunity for all legitimate enterprises to expand and produce, it would almost surely follow that every legitimate company would advance and produce more in order to meet competition, and thus bring prices of commodities down.

Character is the basis of credit. It has been demonstrated that in the long run a businessman of good character and integrity is a better financial risk than one who may have more financial backing but lacks those qualifications. If it is proven that the small corporation has men in control of it who are of high char-

acter and business integrity, and the project a legitimate one, then they should be able to obtain funds to finance the same without the cold legal restrictions now placed upon them by the Securities Exchange Act and other Federal regulations.

It has been recommended by Secretary of Commerce Harriman and leaders of both parties that the temporary suspension of the antitrust law would be beneficial and would permit industry in this emergency to enter into voluntary agreements for joint action. Governor Bradford, of the great Commonwealth of Massachusetts, in appearing before a congressional committee the other day, stated that such action would help very much to solve the fuel shortage that now exists in the New England area, and which it is indicated may grow more severe as the winter progresses. By so doing, it would authorize oil distributors to pool their information and supplies, just as they did during the war without any violation of the antitrust law. By the same token, a suspension of the rigid requirements of the Securities Exchange Act would be beneficial and permit risk capital and the small corporation controlled by worthy individuals to produce and compete, thereby bringing down prices of commodities. By this suggested suspension of the Securities Act so that the small, legitimate business can get new capital for plant and labor through a stock issue under a simplified manner, I do not mean that it should be done without supervision. A truly bipartisan board might be created in each State, which would pass on all applications for stock issues on the sole ground of whether or not the petitioners are men of good, moral character and have legitimate aims. The banks are loaded with money of depositors for investment purposes if this situation could be arranged. In addition thereto, we should change the tax laws so small business as well as big business would have an incentive to expand. If these changes could be brought about, they would create more production, more competition, lower prices, confidence in business and in our present and future economy. I expect to introduce a bill at the opening of the second session of the Eightieth Congress which will carry out these proposals.

### Inflation and High Cost of Living

#### EXTENSION OF REMARKS

OF

### HON. CHARLES A. WOLVERTON

OF NEW JERSEY

#### IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. WOLVERTON. Mr. Speaker, there is no question of a domestic character that calls more strongly for solution than the present high and inflated cost of living.

I gave my support to the legislation proposed by the House Committee on



Banking and Currency. I voted for the bill reported by that committee when it was before the House. I did so, however, not because I believed it to be a cure-all for our present difficulties, but, because it was all that the House had before it at that time. I thought at that time, and, continue to think, that the legislation should have been much more comprehensive.

Today, we have before us the Senate bill dealing with the same subject. It likewise falls far short of what is necessary to be done. In my opinion it would not be even as effectual as the House bill would have been. This is very unfortunate. The most that can be said for it is that it is a step toward solution. Even that is doubted by some. With its passage, however, Congress may be said to have at least started to do something to solve the problem.

When Congress convenes on January 6, next, immediate consideration should, and must, be given to finding a remedy that will deal with the problem in a broad and comprehensive way. To delay action will add to the difficulty of solution.

Joel Chandler Harris

#### EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. DAVIS of Georgia. Mr. Speaker, 1948 will mark the one hundredth anniversary of an outstanding American, a gentle and beloved character, who was one of the gifted writers of all times, whose literary creations will live and be popular as long as there are children in the world. I refer to Joel Chandler Harris, creator of Uncle Remus and his characters, Br'er Rabbit, Br'er Fox, Br'er B'ar, and all the other Uncle Remus characters which have delighted not only the children of the world, but men and women of all ages in every country. So popular are the Uncle Remus characters and stories, that they have been re-created in motion pictures, and comic strips based on Uncle Remus stories are carried daily in many newspapers which depict the humorous sayings and antics of the Uncle Remus characters.

Joel Chandler Harris was born and lived in Georgia. However, his fame and popularity, and his lovable, gentle character, have made him a citizen beloved not only in the State of Georgia, not only in the United States, but throughout the world. His stories have been translated in nearly every language of the world, and great men and women from practically every country have made pilgrimages to the Wrens Nest in Atlanta, to pay homage to him while he lived, and to his memory since he has passed away.

It will be a most fitting recognition of the genius of this great American to issue an Uncle Remus Memorial Stamp in 1948. In the Atlanta Journal of December 14, 1947, there appeared an editorial

urging that such action be taken. I join wholeheartedly in this proposal, and pursuant to leave previously granted, I insert the Atlanta Journal editorial herewith:

#### UNCLE REMUS STAMPS

What could be more fitting than an Uncle Remus postage stamp next year in observance of the one hundredth anniversary of the birth of the great Georgia writer? We think there should be a complete series of them adorning the various denominations. Not only should there be a portrait of the beloved author, but there should also be shown Uncle Remus himself and the Little Boy and all the critters, to say nothing of Mis' Meaders an' the Gals.

They are part of the lore of all the world now. Br'er Rabbit's adventures with Br'er Fox, Br'er B'ar and the Tar Baby are known to the Russians, the Germans, and the French almost as well as to us Americans. A series of stamps depicting Joel Chandler Harris and the creatures into whom his genius breathed the breath of life would be something of a force for international understanding and amity.

### Sound Money Is First Requisite for World Peace and Economic Recovery

#### EXTENSION OF REMARKS

OF

HON. JOHN SANBORN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. SANBORN. Mr. Speaker, I ask unanimous consent to extend my remarks by having printed in the Appendix of the RECORD an article from the Spokane Chronicle of Spokane, Wash., and a letter from John McBride:

[From the Spokane (Wash.) Chronicle of December 10, 1947]

#### BOOK INTERESTING TO MINE LEADERS

Mining industry leaders will be interested in a 250-page book, Money Makes the Mare Go, written by John McBride, clerk of the House Committee on Coinage, Weights, and Measures, and published by the United States Government Printing Office. The treatise now is being distributed.

An outspoken advocate for return to bimetalism, McBride pulls no punches in criticizing the debauchers of currency. A rapid perusal of his book shows he has no love for managed currency and the men who argue for a planned economy based on paper money.

"Karl Marx said, and Lenin demonstrated, that the surest way to overturn the social order is to debauch the currency, because this action enlists all economic laws on the side of destruction and does it in such a way that not one man in a million will see," he asserts. "The truth of this has been proven right here, where, for 13 years, the debauching of our currency has been carried on to such an extent that our dollar and all fixed dollar value securities have lost 63 percent of their value.

"The technique of debauching the currency is quite simple. It has been resorted to by dictators from time immemorial. When a government wishes to embark on a spending spree it first must deprive the people of the right of redemption of its currency at face value, on demand."

His solution, whether his readers will agree or not, is right down the mining men's alley.

"The remedy lies in restoring to the people the right of redemption of currency at

face value, on demand," he argues. "And since there is not enough gold to supply an adequate monetary reserve, silver must be joined with gold in return to bimetalism, the legally established monetary policy of the United States."

Hon. JOHN SANBORN,  
House Office Building,

Washington, D. C.

DEAR MR. SANBORN: The present vicious cycle of rising prices with the resultant demand for higher wages was precipitated when Public Law 84 (1945) permitted monetary reserves to be reduced from 40 percent to 25 percent or less. This depreciated the dollar 37½ percent and caused commodity prices to advance 60 percent.

Theoretically, this situation could be corrected by restoring monetary reserves to 40 percent and this apparently was the objective of House Joint Resolution 273, which was introduced on December 10, 1947. But once the dollar has been unhinged from value it becomes much like the fabled broken egg in the nursery rhyme and "all the king's horses and all the king's men couldn't put Humpty Dumpty together again." To arbitrarily restore reserves to 40 percent would be fine for those who have large bank deposits because it would increase the value of such deposits 60 percent, but it would be disastrous for those who have assumed mortgages or other indebtedness during the past 2 years, for it would increase these debts 60 percent. For example, veterans who have bought homes during this 2-year period and assumed mortgages of \$5,000 or \$10,000 would, in effect, have their \$5,000 mortgages increased to \$8,000 and \$10,000 mortgages increased to \$16,000.

To attempt to stop inflation or bring economic recovery to Europe is a waste of effort until a sound monetary policy is adopted. You cannot mess around with stopgap legislation; you must decide on the value at which the dollar is to be fixed, and then permanently peg it there. This is a relatively simple matter, but great care must be exercised in fixing this value. To attempt to restore the dollar to its 1933 value, or even its 1944 value, would cause dangerous repercussions to our economy. Based on the present purchasing power of the dollar, the price of gold should be \$56 per ounce, and since there is not enough gold in the world to supply an adequate, redeemable monetary reserve, silver will have to be joined with gold at a proper ratio (14 to 1) which would necessitate the pegging of silver at \$4 per ounce. Probably the most equitable plan would be to peg the price of gold at \$50 per ounce and silver at \$3.50 per ounce. This would lower commodity prices 11 percent and increase the purchasing power of the dollar 18½ percent. However, before any decision is made, there should be full and complete hearings before appropriate committees of the Congress; but, in the interval, all gold and silver owned by the Treasury should be frozen. To permit any gold or silver to be sold at present monetized prices constitutes a betrayal of the American people.

It may surprise many to know that both the Republican and Democratic Parties carried the following planks in their 1892 platforms; and that the following legislation is still on our statute books and is a part of the United States Code Annotated:

#### "SOUND-MONEY PLANK IN REPUBLICAN PLATFORM

"The American people, from tradition and interest, favor bimetalism, and the Republican Party demands the use of both gold and silver as standard money, with restrictions and under such provisions to be determined by legislation as will secure maintenance of the parity of values of the two metals, so that the purchasing and the debt-paying power of the dollar, whether of silver, gold, or paper, shall be at all times equal.



"The interest of the producers of the country, its farmers and its workmen, demand that every dollar, paper or coin, issued by the Government shall be as good as any other.

"We commend the wise and patriotic steps already taken by our Government to secure an international conference to adopt such measures as will insure a parity of value between gold and silver for use as money throughout the world.

**"SOUND-MONEY PLANK IN DEMOCRATIC PLATFORM**

"We hold to the use of both gold and silver as the standard money of the country, and to the coinage of both gold and silver without discriminating against either metal or charge for mintage, but the dollar unit of coinage of both metals must be of equal intrinsic and exchangeable value, or be adjusted through international agreement, or by such safeguards of legislation as shall insure the maintenance of the parity of the two metals, and the equal power of every dollar at all times in the market and in payment of debt; and we demand that all paper currency shall be kept at par with and redeemable in such coin.

"We insist upon this policy as especially necessary for the protection of the farmers and the laboring classes, the first and most defenseless victims of unstable money and a fluctuating currency.

**"POLICY OF THE UNITED STATES AS TO BIMETALLISM**

"The Congress carried out these party pledges by enacting, on November 1, 1893, the following legislation, which is still in effect and a part of the United States Code Annotated (ch. 8, 28 Stat. 4):

"SEC. 311. Policy of the United States as to bimetalism. It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity in value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby further declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetalism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts."

England's refusal to go along with us is the only reason that bimetalism was not put in operation at that time. This tragic decision is responsible for the depressions and wars that have afflicted the world since that time. Have we had enough?

Sincerely yours,

JOHN MCBRIDE.

WASHINGTON, D. C.

**Poland in the Postwar World**

**EXTENSION OF REMARKS**

OF

**HON. GEORGE G. SADOWSKI**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. SADOWSKI. Mr. Speaker, I have just read the following address by Jozef Winiewicz, Ambassador of Poland, delivered on December 12, 1947, at the City Club of Portland, Oreg. Here are expressed Polish hopes and Polish fears. I believe that it should be read by every Member of Congress:

Thousands of miles separate Poland from the Northwest territories of the United States. Your history and the history of my country followed entirely different paths. It is not strange, therefore, as Ambassador of Poland, I come here with the best intention to most faithfully present to you in my talk the joys and cares of my nation. I promise to give you a true picture of Poland, and I shall endeavor to fulfill my task in such a manner, that after my departure from Oregon there will be more friendship for my country than there was before my arrival.

I am in Oregon for the first time. I cannot arouse your sympathy by belonging to that group of persons, who were able to climb to the beautiful summit of Mount Hood, which towers above your magnificently developing city. I cannot boast of owning a home in Council Crest. I have, however, read in a book, that "Oregon is the land of man-sized men and happy homes.

"It is the absolute truth that no one ever heard an Oregonian speak evil of another Oregonian."

It is my great hope that this characterization of the citizens of Oregon may also embrace Poland and that it will be possible for me to so explain the problems of my country that no one here will ever speak evil of the Polish people.

Before the war, Poland was a country with a population of 35,000,000 within an area of 150,000 square miles. Since the war Poland has only 120,000 square miles and 24,000,000 inhabitants, the decrease in population being due to the fact that during almost 6 years of occupation, the Germans murdered 6,000,000 persons. I repeat—6,000,000 persons, the majority of whom died in concentration camps, by poisoning in gas chambers. The gas for the murder of millions of Polish people was furnished by the great German chemical trust, the IG Farbenindustrie, the directors of which are now being tried in Nuremberg, as war criminals. In accordance with the Yalta and Potsdam decisions the boundaries of Poland have been changed. Sixty-nine thousand square miles of the eastern territory of Poland, inhabited before the war by national minorities of Ukrainians and White Russians were ceded to the Soviet Union. In the west, however, Poland came into possession of 39,000 square miles of territory, which before the war belonged to Germany.

The Potsdam agreement mentions that Poland has received these territories as compensation for those ceded in the east. However, every Pole will tell you, that the areas obtained in Potsdam are regarded by Poles as regained western territories. In the past they were part of the Polish state, which happens to exist already for a thousand years. A few hundred years ago Poland had the same boundary on the Oder and the Niesse Rivers, as she has at present. I may add here, that not only the Polish Government but every man of the street in Poland, regards this boundary decision as an accomplished fact. We cannot agree to any changes of our present western boundaries. The territory obtained in the west has been settled by Polish citizens, there are no more Germans and its economic life is pulsating fully, motivated by Polish effort.

Poland, the first country to oppose German Nazi aggression, Poland in whose defense other countries belonging to the United Nations took up arms, is today a smaller country than before the war. However, I wish to assure you that, despite this, none of us Poles considers that our historical common responsibility toward the questions of peace has in any way diminished. The Polish nation and the Polish Government are aware that, together with other nations, they are responsible for the future of the world.

At the end of hostilities in 1945, the first task which faced Poland within the sphere of foreign politics, of which I wish first to speak, was the normalization of diplomatic

relations with other countries. Poland joined the United Nations Organization and from that time on the existence and meaning of the United Nations Charter for the cause of peace has become a part of the basic program of the foreign policy of the Polish Government. We also belong to nearly all international agencies which form an organizationally healthy complement to the U.N.O. Permit me to add that Poland is a member of many such organizations in which the Soviet Union takes no part—International Bank, FAO, and ILO, for instance.

Another principle followed by the Polish Government in the field of foreign policy is the maintenance of especially good and friendly relations with the great powers, whose contribution toward the defeat of the common enemy in the last war was the greatest. We desire cooperation and friendship with the United States and my government has so declared many times. The circumstance that we often do not share all political actions or opinions of the United States does not lessen this fact. We regard this as a difference of views among friends. Even among friends there can be disagreements which in no way alter the principle on which friendship is based. Poland, for instance, does not share American policy in respect to the so-called Marshall plan. However, this does not mean that Poland is against the United States. The Marshall plan is at present the subject of discussion of your Congress and is now a question of your internal legislation. As an ambassador of a foreign state, I do not wish, in view of this fact, to discuss this question. I therefore stop at my basic statement: We desire close and friendly relations with your country. These same remarks relate also to Great Britain and to France. With both these countries we have definite trade agreements. In addition, Poland a few months ago concluded a cultural treaty with France, thanks to which there exists between our two countries an exchange of scientists, scholars, artists, and thoughts. We do not have a similar treaty with Great Britain, nevertheless English art is widely propagated in Poland. Our theaters lately arranged a great Shakespearean competition. We were also visited by an English ballet, British musicians, and other artists.

In the Marshall plan 16 western and north European states are taking part. With 14 of these Poland has normal diplomatic relations, as well as duly concluded trade agreements and the exchange of trade between us continues in an uninterrupted stream. We desire to maintain these relations.

A great problem of Polish foreign policy after the last war was the implementing of best possible relations with the Soviet Union. The Soviet Union is our largest and closest neighbor. Our boundary with the Soviet Union is the longest sector of the Polish land frontier. For centuries a constant feud existed between our two neighboring countries. We therefore consider, that the greatest achievement of Polish policy in the first years following the second World War, was the establishment of friendly Polish-Soviet relations. We believe it to be an important foundation for European peace. If such good relations did not exist, uneasiness and tension would prevail as was the case after the first World War, when we had a bloody war against the Soviets. With your kind permission I shall cite a historical example which I trust you will fully understand. Mexico was for some time at war with the United States. There were serious territorial disputes between Mexico and your country. One could not consider a continuation of a state of enmity between the United States and Mexico as a normal situation. Just as the other American countries are satisfied with and proud of their good relations with the United States, so Poland be-



lieves that it serves the cause of world peace—to have her relations with the Soviet Union based on a good-neighbor policy.

Germany has been and is our western neighbor. The German problem is for us of particular importance and I desire to devote one or two arguments to it—especially since the German problem is being discussed at present in London by the Foreign Ministers Council.

Our interest arises from two sources: First, during the last few centuries the growth of Prussian power, and later of the power of a united Germany, continuously menaced our independence. It threatened not only the independence of the Polish state but also menaced the existence of Poles as a separate nation. Every aggression and invasion coincided with the attempt of Germany to germanize the masses of the Polish people, and to destroy those who did not submit to germanization. Secondly, Germany in the last war caused such great destruction in Poland that only a peace enduring for several generations, and not only for 20 years, as was the peace following 1918, can allow us to make up our losses.

During the last century Germany has provoked several wars in Europe, all of which were dictated by the imperialistic aims of territorial, political, and economic expansion of power. In order to cause these five wars the leaders ruling Germany at the given time always had the absolute support of wide masses of the German population. I do not wish here to enter deeper into the ideological premises of this statement. May I only mention in short that the entire philosophy and all political literature of Germany during these last 100 years was built upon the conviction of the natural superiority of the German nation over all other nations. It is equally a historical truth that the standpoint of German thinkers as well as politicians, always based the method of ruling Germany not only on the principle of *Herrenvolk* but also on the glorification of the powerful and autocratic authority of a totalitarian state.

I would like to support my statements by several quotations from American literature touching this subject, not because I lack any arguments of my own. It is, however, asserted in many circles that the Poles are not objective judges of German problems because they approach them too emotionally—with hatred. Let me assure you that, despite all the great suffering caused by Germany, the Poles are able to think of the solution of the German problem objectively and without emotional stress.

During the last war in 1943, the United States Government Printing Office in Washington issued an official publication on National Socialism. This publication gives the following characteristic of German aims: "the glorification of the (Volk) nation, the adulation of the strong leader, and the tendency to concentrate power in autocratic totalitarian state led naturally to the imperialistic foreign policy (of Germany) which was vigorously pursued after the establishment of the Empire."

James W. Gerard, the former United States Ambassador in Berlin, who served there during the first World War, appraised the German people as follows: "All Germans as a matter of fact through pride of conquest and great industrial success, had to come to believe themselves to be supermen, delegated by Heaven to win the world. Treitschke and Nietzsche were simply affected in their writings by the universal poison of overweening vanity."

I ask myself, however, what is being done today in order to do away with the spirit of the past. The information we Poles have from Germany indicates, that a new underground movement is working there, which is based ideologically on the same principles, which led Germany to aggressive wars in the past. Articles—in the French press—con-

firm these observations. A most remarkable observation to the same effect has been made by a most reliable American newspaper correspondent and eminent author, William Shirer, when he stated: "The German people blamed the Nazis not for starting this incredibly destructive war, but merely for having lost it. As a German woman, kept saying: 'If only Hitler had let the generals run the war; if only we hadn't attacked Russia, or, if after we had, you Americans had not come in to help them, we might have won and been spared this.' The German people, I fear, have not—by a hell of a long way—learned the lessons of this terrible war. They have no sense of guilt and are sorry only that they were beaten and must now suffer the consequences. They are sorry only for themselves; not at all for those they murdered and tortured and tried to wipe off this earth."

We in Poland know this and we are concerned about our own peace; we know this and we are alarmed for fear that the rebirth of the aggressive German spirit will lead to a new world war. For we must agree with the opinion of one of the leading American political writers, Walter Lippman, who once asserted "that the behavior of nations over a long period of time is the most reliable, though not the only, index of their national interests. \* \* \* We can most nearly judge what a nation will probably want by seeing what over a fairly long period of time it has wanted; we can most nearly predict what it will do by knowing what it has usually done."

These pertinent remarks should warn the world to observe the greatest caution with relation to a nation which started five wars during the past 100 years. One war in 1864 against peaceful Denmark, with the purpose of appropriating for itself Schleswig and Holstein; another war in 1866 to humiliate and break the power of Austria, which stood in the way of Prussia, in her attempts to form a second German empire under Prussian leadership; the third war in 1870, in order to enlarge the area of Germany in the west by robbing France of the rich provinces of Alsace and Lorraine; then the war of 1914, entered into with the aim of securing political and economic supremacy over all of Europe, and finally the war of 1939, whose aim was to create out of Hitlerite Germany a great power, capable of dictating, together with imperialistic Japan, terms to the entire world.

The lesson of the past indicates that Germany is not dangerous so long as there exists against her a united and closed front of all peace-loving nations. Thanks to the close coalition of the United Nations, Germany was defeated in the last war. The first principle then, which should be observed in order that the German aggression cannot be repeated, is unity of action of the United Nations, and especially close cooperation of the great powers, whose enormous war effort was the most essential foundation of the victory in 1945. As long as harmonious friendly cooperation of the United States, the Soviet Union, and Great Britain exists no German politician and no German can dream of the rebirth of German imperialism. One of the principles of Bismarck, creator of German power in the nineteenth century, was never to permit a simultaneous political action by Germany against both its eastern and western neighbors. For he knew very well that with the east and the west politically united the imperialistic aims of Germany could not be realized. This principle was forgotten in 1914 by William II. It was also disregarded by Hitler—and both lost their ways.

It is for these reasons that Poland looks with some anxiety at the present state of relations between the great powers. In their unity we see the guaranty of peace, in their unity we also see our own safety. Let us all

trust that the unity of the great powers and the unity of the United Nations, which endured through the last war with such fruitful results, will be preserved. No one in this world desires war. The only sinister forces who seem to be plotting for a new war are certain German circles, who are impelled by the hope that German imperialism could again make profit out of the disunity of the great alliance of the last war.

Obviously, someone may realistically answer me at this point, that Germany is at present defeated, destroyed, and weakened. I reply with the greatest emphasis that the same situation existed after 1918. The organization of the German State fell apart. The German Empire gave place to the Weimar Republic. Inflation in Germany undermined the foundations of her economic life. And despite this, in 1939 Germany again undertook another adventure, which—if it were not for the unity of the efforts of the great powers—would have given Germany sway over the entire world. Already in 1926 there were 8,000,000 people in Germany, belonging to diverse paramilitary organizations, preparing themselves for military revenge. Already in 1928 Germany had an economic boom and German exports had reached the enormous figure of 15,000,000,000 marks, which figure was never attained afterwards. At that time Germany, instead of exporting, began to lay aside supplies for the coming war. In 1918, as today, no one thought that Germany would have the power to fight another war. And everyone knows what happened some 20 years later.

The restoration of German imperialism after 1918 became possible due to two circumstances. After 1918 the political unity of those great powers which brought about the November defeat of Germany ceased to exist. Great Britain began a diplomatic struggle (maintaining every outward appearance of good relations) with its wartime ally, but also its competitor on the continent—France. The United States withdrew from European interests. The Soviet Union was isolated. Germany started her intrigues among the disunited members of the former anti-German coalition. The Germans today are also speculating on the disagreements among their former enemies. Nothing would give them more pleasure, than an open break among the great powers, a rift among the United Nations. Nothing would suit Germany better, than a separate peace concluded between the western German zones and the western Allies, which some impatient people are advocating. I dare to call them impatient, because only patience and mutual understanding can result in a right solution of the German problem, a most complicated problem the solution of which needs time.

The second circumstance which after 1918 favored the restoration of German aggressiveness and which by comparison could favor the restoration of German aggression at the present moment, is strictly economic. After 1918 assistance began to be given the economic life of Germany by numerous credits from abroad because of the principle that the Germans also must live. This rendered possible the rapid rebuilding of German industry, control of inflation difficulties, which I spoke of above and the renewed establishment of Germany as an economically powerful central European state.

Germany is not a country rich in raw materials. The only raw material Germany has in abundance is coal. Iron ore must be imported, there is a lack of colored metals. Germany also is not and was not in 1939 an agriculturally self-sufficient country, the best proof of which were the large grain and meat imports from the Western Hemisphere, going yearly to the great German ports of Hamburg and Bremen, as well as the great food imports from Poland and other eastern European countries. Nevertheless Ger-



## TVA

EXTENSION OF REMARKS  
OF

HON. ROBERT E. JONES, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. JONES of Alabama. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

STATE OF ALABAMA,  
COOPERATIVE EXTENSION WORK IN  
AGRICULTURE AND HOME ECONOMICS,  
Auburn, Ala., November 29, 1947.  
HON. GEORGE D. AIKEN,  
Senate Committee on Agriculture,  
Washington, D. C.

MY DEAR SENATOR AIKEN: This is to state some facts regarding the cooperative work of the Tennessee Valley Authority in agriculture and rural life in the Tennessee Valley area of Alabama, which includes 14 of the 67 counties in this State.

In that area the Alabama Extension Service, the Tennessee Valley Authority, farmers, and others have one agricultural program for all farmers. It is, therefore, a cooperative program, so created and so administered.

So the Tennessee Valley Authority has no agricultural program of its own. Their work, as defined by Congress in creating the Tennessee Valley Authority, requires research, education, and action in agriculture. Instead of performing these services the usual bureaucratic way the Tennessee Valley Authority works in cooperation with county and State institutions. It is, therefore, cooperative rather than competitive.

Their agricultural research work and their agricultural extension work in Alabama is done respectively through the experiment station and the extension service of the Alabama Polytechnic Institute which is the land-grant college for Alabama.

Stated differently, the Tennessee Valley Authority pools its contributions with the land-grant college and works on a team through the democratic processes of cooperation rather than going direct from Washington to individual farmers on their farms. In this way the Tennessee Valley Authority employs a public institution instead of individuals. This, I believe, is a departure in government.

A very important fact about the Tennessee Valley Authority is that farmers and others in that area are overwhelmingly in favor of it. Seldom, if ever, do we hear anyone in that area speak critically of the Tennessee Valley Authority.

The secret of their success is the fact that they're working with local and State agencies rather than in competition with them.

And greater progress in soil and water conservation and use, plus agricultural improvement as a whole, has been made in that area than elsewhere in Alabama. And the cost in attaining these outstanding results has been very low compared to the competitive way; that is, by each agency working independently and competitively.

Congress required that the Tennessee Valley Authority do certain work with fertilizer. This includes development of new processes in the manufacture of fertilizer and also improvements of its use on farms.

At the outset the Authority began experiment to produce improved fertilizer, doing this research work with the colleges at the plant at Muscle Shoals, which was erected during the First World War for the production of explosives.

In this cooperative program the unit test demonstration farms (UTD farm) were established. Neighbors select their UTD demonstrators, who in turn were furnished lim-

ited amounts of phosphate fertilizer to use in testing this fertilizer; and also to make the information known to their neighbors and others.

Each UTD farmer pays freight, handling charges, keeps accurate records; and makes available his farm for demonstration and other uses. The number of UTD farmers averages around 1 percent of the farms in a county which, of course, is a very small number; and each one receives only a limited amount of fertilizer, or just enough for testing purposes, including demonstrations. So it is not "free fertilizer."

When this work was started fertilizer people felt that TVA was going into fertilizer production to "give it away," which, of course, was erroneous. Instead, it was for better fertilizer, better use, more of it.

An impressive fact as to the effectiveness of this procedure is that from 1937 to 1945 the use of commercial fertilizer in these 14 valley counties increased 48 percent. During the same period the increase in fertilizer use in the other 53 counties of Alabama was only 18.5 percent. Another convincing fact as to the effectiveness of this procedure is the increase in winter legumes. Acreage planted in winter legumes in 1936 was 76,930; in 1945, 323,713 acres in the 13 counties, or an acreage increase of 325 percent.

In that area, therefore, where a relatively small amount of fertilizer was used for testing and demonstrating the increase in use was almost thrice that of all other counties of Alabama as an average. I believe that every UTD farmer in Alabama is now buying far more commercial fertilizer than he was prior to becoming a UTD farmer. Most of them are buying two or three times as much.

This proves conclusively that the type of fertilizer program in which TVA is engaged does not hurt anybody but helps everybody. The whole industry is better and farming is better, much better.

In this cooperative program there is no dictator. We all work together. It's true that the Extension Service employs personnel in the counties to engage in the cooperative program, but we have never tried to dictate to TVA and they have the same constructive feeling toward us. There is mutual understanding, cooperation, teamwork.

This avoids competition, duplication, confusion, delay.

Our workers in that area name other advantages to this procedure. They are:

1. Farmers have a big voice in the program. Each county has its soil conservation association with its active officers. This takes the program back to the land and the people on it. It gets active participation and cooperation.

2. It takes the results of our experiment station immediately to the farmers for their use; first, on these UTD farms and immediately thereafter on the farms of their neighbors. This is revealed by the fertilizer figures used above. The experiment station, therefore, becomes a vital matter immediately and not something that is still far distant from the farmers.

3. It recognizes that the first and foremost need of farmers is a bigger income in cash while, at the same time, the land is being improved. Therefore, it combines better land use with wise conservation of land so that land serves farmers better while they're serving it.

4. It has resulted in more diversification in farming. An illustration of this in one county is that each of the farms is now growing alfalfa, none of which was growing alfalfa at the beginning of the program. Cotton production in that area, as another illustration, is now more than it was before TVA, but the amount of land in cotton is far less, about half. This has enabled farmers to add livestock in a big way. Many have added seed crops and are increasing their income substantially this way. Corn and all other crops and livestock have improved.

5. Farmers like this cooperative program because it is close to them. They feel that they are a part of it. Their voice is always audible and is recognized.

6. It makes the county agent the dean of agriculture in his county. He is in no sense a dictator but a leader for all the people of his county. This is proper since the county agent is a part of a State institution (land-grant college) with a research program to guide its extension workers in their teachings; and the county agent is also a county employee.

7. The cost of this cooperative program is much less. I don't have figures for comparison but I'm sure that one man working in this cooperative program as an assistant to the county agent accomplishes far more than is accomplished otherwise, or by an agency working independently. I believe that there is evidence to show that \$1 this way will accomplish as much as three or four dollars the other way.

Often, both verbally and in writing, I've said that the No. 1 demonstration of the Tennessee Valley Authority is not with fertilizer, as great as this is; nor is it with electricity, or with flood control. It is in democracy in government. TVA is a democracy; not a bureaucracy.

This is illustrated by what happened within the Authority itself soon after their work started. At Muscle Shoals the number of children in school increased beyond local buildings and facilities because of TVA work.

One member of the Authority wanted the Authority to build a school and operate it. Another member insisted that instead of building and operating a school they should assist the local school boards in building a school and in operating it, being sure that it was a local school, not a TVA school. The third member of the Authority agreed on the latter procedure, which proved to be an historical decision and a very wise decision.

The same procedure is used in agriculture. I believe that the same procedure, if followed by all public agencies in agriculture, would eliminate confusion, duplication, conflict, excess costs, and other evils.

I, therefore, recommend this TVA pattern to you for your careful consideration.

I have found it very easy to work with TVA. I believe they would say the same about the Alabama extension service, as well as other land-grant college connections in the Tennessee Valley area.

Sincerely yours,  
P. O. DAVIS, Director.

## Family of Four

EXTENSION OF REMARKS  
OF

HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 17, 1947

Mrs. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post:

## FAMILY OF FOUR

No family head who has been struggling to pay for 85-cent eggs or children's shoes at \$7 a pair needs statistics to convince him that living costs have soared through the roof. What he knows from his personal experience is only confirmed by the testimony of Ewan Clague, Commissioner of Labor Statistics, before a congressional subcommittee Tuesday, showing that the cost of a modest budget for a family of four in Washington had risen from \$2,985 in March 1946, to



\$3,458 in June of this year. The chief value of these statistics is that they afford Congress concrete examples of what inflation is doing to moderate-income families—most of whose incomes have by no means kept pace with living costs.

It is no consolation to residents of this area that for a family of four Washington is the most expensive city in the country, running 2 percent above Seattle and 4 percent above Boston. The chief factor explaining this situation is the outlandish cost of housing in Washington. Housing here costs 9 percent more than in the next most expensive city, Chicago, and 35 percent more than in New Orleans. Aside from these more obvious differentials, however, the most remarkable thing about the 34-city survey made by the Bureau of Labor Statistics is the similarity it discloses in the general cost increases. Whereas the modest budget rose \$473 in Washington during the 15-month interval, it also rose \$431 in New Orleans, the least expensive city surveyed. In other words, the inflationary pressure is almost the same in all large urban centers. Moreover, it is continuing; costs have jumped an additional 3 percent since June, according to Bureau of Labor Statistics estimate.

Lest anyone think that the \$3,458 figure for Washington represents a luxury budget, it is important to point out that it makes provision for a new overcoat for the head of the family only once in 7 years and allows a movie only once every 3 weeks for three members of the family. The people the study is talking about are the people who already have foregone dollar butter and 79-cent bacon. While the budget is not precisely spartan in that it provides adequate standards for diet and health, neither is it generous. As Mr. Clague observed, "As the prices rise more, without offsetting increases in incomes or methods of reducing the costs of the budget, the hardships are greater because the greatest concentration of budget-level families of four is probably in the \$3,000-\$4,000 income group, even now—at 1947 prices." Until the political parties stop political buck-passing and take concrete action to halt run-away inflation, the family standard of living will continue to be subjected to a tighter and tighter squeeze.

### Stabilization of Commodity Prices

#### EXTENSION OF REMARKS OF

#### HON. CLIFF CLEVENGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 18, 1947

Mr. CLEVENGER. Mr. Speaker, painfully we are finding that "we cannot give our cake away and have it, too." To halt rising prices and restrain inflation, we stop inflationary practice. We cannot feed the fires of inflation with all our food and fiber, all our money and credit, and escape the pains of inflation.

We need less expenditure, more production, and restoration of financial sanity in America. Senate Joint Resolution 167 can accomplish none of these things, but under section 7 opens the doors to hundreds of millions of expenditures by the Commodity Credit Corp. all over the world. I cannot add my support to another wild scheme of theirs. With no limitations imposed, the cure can be worse than the disease.

### Loyalty Cases

#### EXTENSION OF REMARKS OF

#### HON. HELEN GAHAGAN DOUGLAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. DOUGLAS. Mr. Speaker, under permission to revise and extend my remarks in the RECORD, I include the following article from the Washington Post of Thursday, December 18, 1947:

#### LOYALTY CASES

#### A COMMUNICATION

(EDITOR'S NOTE.—The following communication is identical to one submitted to the New York Herald Tribune by the author, Mr. Benjamin V. Cohen. Mr. Cohen sent a copy to the Washington Post because of its interest in the loyalty cases.)

The New York Herald Tribune is to be congratulated upon the fine service rendered by its correspondent, Mr. Bert Andrews, in his reporting of the recent Government loyalty cases. Mr. Andrews' stories were also published in the Washington Post.

There is still danger, however, in the thought which seems widespread that all the difficult problems presented by the loyalty cases can readily be solved by the provision for fair hearings before a loyalty board or a loyalty review board. Too little attention has been given to the question of how the requirements of the Government for security and the requirements of the individuals concerned for fair play can in practice be reconciled. It is important to avoid confusing the two separate but related problems which are involved in these loyalty cases. One is the problem of protecting the integrity of the Government services where the security of the United States may be affected; the other is the determination of individual guilt or shortcoming.

Where the security of the United States is really concerned, any reasonable doubt ought to be resolved in a way that will protect the integrity of the Government service. While it should not be possible to drive an official from public service simply by spreading rumors that he is a Communist or an associate of a Communist, there may be cases even where the responsible head of a department or the department's loyalty board is convinced of the trustworthiness of an individual and still the cloud of substantial suspicion that hovers about the individual makes it highly inexpedient to continue that individual in a strategic security position.

On the other hand, no individual should be stigmatized as disloyal or even as a poor security risk if there is any reasonable doubt as to his culpability. The branding of an individual as disloyal or a poor security risk may affect his life and livelihood no less seriously than his conviction for a serious crime.

A fair hearing in itself provides no easy way of reconciling the vital interests of the Government and the vital interests of the individual. We must deliberately seek to develop procedure which will make it possible to protect the integrity of the service without stigmatizing individuals as disloyal or untrustworthy or even as being reasonably suspected of disloyalty or untrustworthiness.

The branding or punishment of individuals for disloyalty or breach of trust should be left for the court where the accused, in accordance with our common-law traditions, can be given the benefit of a jury trial and of every reasonable doubt.

Any individual in the Government service who is satisfactorily performing his duties ought to have the right to resign without prejudice unless the evidence of disloyalty is such as to warrant prosecution by the Department of Justice. The duty of responsible administrative officials is to protect the integrity of the Government service, not to punish guilt or to proclaim suspicion.

If the responsible administrative head of a department or agency receives evidence of the disloyalty or untrustworthiness of an employee in a strategic position—that is, an employee who has power to make or influence decisions or has access to information which may affect the security of the United States—he should, of course, before taking final action, fully inform the employee of the charges against him and give him the opportunity to be heard with an appeal to a review board if the employee wishes it. But such proceedings, like grand-jury proceedings, should be secret.

If the individual under suspicion is able to satisfy the administrative head that the charges against him are unfounded and that his continuance in the service would not be inimical to the best interests of the service, that should, of course, settle the matter. But if the individual under suspicion cannot meet this obviously onerous burden and the evidence against him is not such as to warrant prosecution by the Department of Justice, he should be given the right to resign without prejudice. If he does not do so, he should be transferred to a clearly nonstrategic position or his employment should be terminated without prejudice.

Unless some such procedure is adopted, it will be difficult to protect adequately the security of the United States and at the same time protect adequately the traditional rights of the individual.

The Government employees in strategic security positions may be fairly large in absolute numbers and they may range through segments of quite a number of departments and agencies, yet they are a relatively small part of the total Government personnel. Individual investigation of the loyalty and trustworthiness of employees in strategic security positions is not only warranted, but is necessary. It is extremely difficult, however, to see the need for individual loyalty investigations of the myriads of other Government employees who clearly do not fall within that category. The annulment of Civil Service Rule I, adopted in 1884, forbidding inquiry into the political opinions or affiliations of applicants is regrettable.

Every Government employee now takes an oath of loyalty. If he swears falsely he can or should be subject to prosecution for perjury. Dragnet efforts to determine by administrative process individual loyalty offends the spirit if not the letter of the Bill of Rights.

The present oath of loyalty requires disavowal of membership in any organization which advocates the overthrow of the Government of the United States by force or violence. No express disavowal of membership in the Communist Party is required, and there may be some doubt whether a member of the Communist Party would be adjudged guilty of perjury in taking the oath. If the Congress is willing to leave that issue to the courts, well and good. But if the Congress insists on going further and intends to make membership in the Communist Party or knowing and active participation in its work an absolute bar to Government employment, it should require an express disavowal of such membership or activities in the loyalty oath. In any event, violation of the oath should be judicially and not administratively determined. No administrative tribunal should be given the right to adjudge an American citizen disloyal to his country.

We must see that those to whom matters vitally affecting the security of the United



"What we gathered in 52 years, the government has wasted in 10 months. \* \* \* Your government is now asking for a loan from the United States of America to be able to meet the nationalization losses. \* \* \* We built up the factory to chase misery and hunger from Zlin and country. \* \* \* Now I see misery and hunger coming back to Zlin and its people. \* \* \* I feel almost a physical pain as I watch the waste. I am still a son of the people."

How many American dollars will it take to stuff that rat hole? And keep it stuffed?

No one can understand \$18,000,000,000. No one can understand Europe with its 25 nations, its 400,000,000 people who have hated and killed each other for centuries. But everyone can understand the rat hole at Zlin. It is only one of thousands. How do you help these 12,000 Bata families? How do you keep them fed as long as they have to live under the same government that ruined them?

Yet our State Department says we must not ask these Socialist governments to get off their people's backs as a condition for our aid. We might offend them, they say.

So, while these governments continue to redistribute the jobs to their armies of political retainers, are we to stuff the rat holes as fast as they dig them? (The increase in the number of bureaucrats under Attlee in England is one-third the number of her coal miners.) Are we to rebuild the trains blown up by their strikers? Fill their coal bins as they reduce their working hours?

#### WHAT IS PROSPERITY?

What does our prosperity consist of? Is it our automobiles, bathtubs, gadgets and dollars? No. These are only yardsticks. But these things are not the cause of our prosperity. They are the effect. The source of our prosperity is something far different. It is the American spirit, our initiative, our risk-taking, private property, and our Constitution which protected from confiscation those who have sweated and saved during 150 years. If all the gadgets were burned, the American spirit, if we retain it, could rebuild them in a few brief years.

Europe could rebuild, too, if it had the American spirit. Without it—fill in the answer yourself.

Are we to fill rat holes in Europe, and go socialist at home?

### Universal Military Training

#### EXTENSION OF REMARKS

OF

**HON. GEORGIA L. LUSK**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. LUSK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following petition received from the American Legion post in Ruidoso, N. Mex., concerning legislation to establish a system of universal military training.

#### PETITION

Hon. GEORGIA LEE LUSK,  
House of Representatives,  
Washington, D. C.

Peace is worth striving for. Therefore we, citizens of the United States and voters, urge you, our Representative in the Eightieth Congress of the United States, to support and vote for legislation establishing a system of universal military training for American young men, as recommended by the President's Advisory Commission on Universal Training.

Cy Leland, Ida H. Bloodworth, Lloyd P. Bloodworth, O. L. Walsh, Jr., Claude Webb, M. S. Cole, O. W. Samelson, Ray Throckmorton, L. E. Throckmorton, Buford Fisher, Jim Pickering, Fred Guderson, E. F. Strachan, Gladys Strachan, Bert Norke, Ray Faust, Dolores Faust, Manuel B. Baddio, George Westall, Iva Coleman, R. T. McDaniels, Ruidoso, N. Mex.; E. G. Blaylock, Alamogordo, N. Mex.; R. H. Hedgecoke, Ruidoso, N. Mex.; D. B. Morgan, Jr., Alamogordo, N. Mex.; Mack Jones, M. W. Munro, Alfred Hale, Ernest Burgess, Mrs. Fred Riley, Fred Riley, L. B. Autry, L. A. Farrar, Ruidoso, N. Mex.; W. L. Benton, Berino, N. Mex.; T. J. Short, J. J. Wallace, E. W. Wade, J. H. Cornelius, Fred Montoya, J. W. Gill, R. A. Burnett, R. O. Whitted, Ruidoso, N. Mex.; Asher Flourer, Lois Thompson, Bob Thompson, K. V. Smith, Loretta Smith, Hollywood, N. Mex.; H. C. Brown, Ruidoso, N. Mex.; S. W. Stout, Green Tree, N. Mex.; Cleo Beavers, Hollywood, N. Mex.; C. L. Campbell, Mrs. Lena Campbell, Bill Marler, Ruidoso, N. Mex.; Frank Hale, Green Tree, N. Mex.; Jas. T. Bingham, Roswell, N. Mex.; Ernest McDaniel, Ruidoso, N. Mex.; Marion J. Fuchs, A. J. Fuchs, Green Tree, N. Mex.; Ed Asher, R. G. Bok, Mrs. R. G. Bok, Hollywood, N. Mex.; A. C. Eckert, Mrs. A. C. Eckert, Jake B. Salas, Green Tree, N. Mex.; O. B. Shook, Alto, N. Mex.; Julian Gill, Glencoe, N. Mex.; Frank Ivy, Violet Hastings, Clarence Perry, Ruidoso, N. Mex.; Hazel Hale, Green Tree, N. Mex.; Alice Hale, Glencoe, N. Mex.; Willie Hale, Green Tree, N. Mex.; C. A. Culver, L. F. Dryden, E. M. Clarke, Mrs. H. O'Hair, H. O'Hair, Olan Scott, Mrs. Olan Scott, A. L. Ferguson, Mrs. Marge Ferguson, W. A. Hart, Ruidoso, N. Mex.; Minton R. Hart, Alamogordo, N. Mex.

Let the National Association of Manufacturers vigorously record itself in favor of postponing action on the so-called Marshall plan until our own financial house is in order.

Your manufacturers know better than anyone else how gigantic exports are sparking the rise in prices. If your group would take the lead in urging a postponement of the Marshall plan, you may find that by that act you have saved yourselves and the free-enterprise system of America from destruction.

If American business—tempted by the prospect of export profits—is committed to do the impossible—then business is behind the eight-ball. And the inflationary Marshall plan puts you in exactly that spot.

Don't you see the position business (and Congress) is in? If gigantic exports continue prices will stay high or even go higher. If this happens, the millions of average Americans who are taking the beating from high prices are going to become frantic—if they aren't already. When the American people get that way, Congress can easily be stampeded—and when I say stampeded—I mean back into a peacetime OPA.

But if the word went out to the country that the Marshall plan was going on the shelf until our domestic economy was stabilized, well—I'll bet you a new hat that commodity prices would start to skid before tomorrow's sundown. And if a good settling back in prices takes place, all this OPA talk would evaporate—and business would have a chance to give customers—both domestic and foreign, full value for their money.

Very truly yours,

HOWARD BUFFETT.

### Inflation and High Prices

#### EXTENSION OF REMARKS

OF

**HON. KATHARINE ST. GEORGE**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. ST. GEORGE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by my distinguished colleague, Hon. HOWARD BUFFETT:

CONGRESS OF THE UNITED STATES,

HOUSE OF REPRESENTATIVES,

Washington, D. C., December 18, 1947.

Mr. EARL BUNTING,

President, O'Sullivan Rubber Co.,  
Winchester, Va.

DEAR MR. BUNTING: I have read with interest the advertisements published by the National Association of Manufacturers concerning the No. 1 national problem—inflation and high prices.

Your ad is good reading, and it includes many constructive suggestions that should receive careful congressional attention in the months ahead.

But—and in the minds of the Members of Congress, this is a big "but"—the people of America are crying for action on spiraling prices right now.

In other words, the heat is on Congress—and unless something is done soon to lessen the pressure on the inflation accelerator, you can expect that OPA, with or without trimmings, will be back around the neck of business in 6 months or perhaps much sooner. At least, that's the way it looks from here now.

But, Mr. Bunting, there is one step your group can take that would almost surely prevent this calamity, and here it is:

### A National Institute of Industrial Training for Negro Youth

#### EXTENSION OF REMARKS

OF

**HON. A. L. MILLER**

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. MILLER of Nebraska. Mr. Speaker, World War II brought forcibly to our attention the dearth of trade and industrial training among young people in the United States. This is particularly true of Negro youth most of whom, because of the lack of adequate training, are in the lower wage brackets. To increase the earning power of the Negro and make him a more valuable economic asset to the Nation, the Booker T. Washington Birthplace Memorial is establishing a National Institute of Industrial Training for Negro youth. The headquarters for agricultural and industrial training will be at Booker Washington Birthplace, Va., but field services will be extended to other parts of the United States where there is a substantial Negro population.

It is planned to establish a school for the training of hotel employees and kindred services in Washington, D. C., and to secure buildings for this industrial training school, the following bill has been introduced by me:

H. R. 4664

A bill to provide for a National Institute of Industrial Training of Negro Youth

Be it enacted, etc., That the Commissioner of the Public Housing Administration and the Defense Homes Corporation is authorized



and directed to convey Slowe and Carver Halls, defense housing projects, in Washington, D. C., to the Booker T. Washington Birthplace Memorial, to be utilized exclusively by them as a National Institute of Industrial Training for Negro Youth, including Negro veterans of World War II, who, because of limited education, are not eligible for college training under the GI bill of rights. Upon transfer of this property, the Government shall be relieved of all maintenance and other expenses in connection with this property which will be assumed and paid by the Booker T. Washington Birthplace Memorial. No Government appropriations are to be authorized to carry out the provisions of this act.

Mr. Speaker, incidentally, it might be added, the Government will be indirectly reimbursed for these buildings since the net profit to the United States Treasury on the 5,000,000 Booker T. Washington Memorial half-dollars will be \$1,619,394. This is possible because the silver used to mint these coins cost the Treasury only 47 cents per ounce and is bringing the Treasury a return of \$1.38 per ounce.

The Booker T. Washington Birthplace Memorial is fortunate in having for its President, Dr. S. J. Phillips, who has dedicated himself to the perpetuation of the ideals and teachings of Booker T. Washington. Dr. Phillips believes that the problems of the Negro are largely economic and that they can be solved by making available trade and industrial training for the Negro youth of America.

Appended is a brief outline of the plans and objectives of the Booker T. Washington Birthplace Memorial:

**A PROPOSAL TO USE SLOWE AND CARVER HALLS AS A NATIONAL INSTITUTE OF INDUSTRIAL TRAINING WHICH SHALL CONSTITUTE A UNIT OF THE FIELD SERVICES OF THE BOOKER T. WASHINGTON BIRTHPLACE MEMORIAL IN ITS PROGRAM OF TRAINING WORKERS OF LOW EDUCATIONAL STATUS FOR SERVICE AND INDUSTRIAL OCCUPATIONS**

"Let us make ourselves reliable in our method of labor; if we do not, the time will come when people with another skin and another religion will take from us the great blessing we now enjoy." (Booker T. Washington.)

(By Booker T. Washington Birthplace Memorial, Rocky Mount, Va.)

**I. INTRODUCTION**

Millions of America's people, especially Negroes, are of low educational status. Service occupations offer large fields of work for this group of citizens. These occupations make a direct contribution to the smooth, efficient running of our national machinery. Because this is true, opportunities should be provided for making of these fields scientifically guided areas in which training and organization will play a greater part than our present educational set-up permits, in bringing about results mutually beneficial to employer, employees, and the general public.

We believe that greater and better service will be rendered, and greater good will be engendered in the fields of service occupations, if the following principles are observed:

(a) If more thorough training is made possible to workers who plan to enter the service field, thereby making possible to them a greater amount of respect for the jobs they fill, and a higher wage for the efficient service they render.

(b) If workers, through a training program, can be taught to appreciate clean, wholesome environment, healthy bodies, and high ideals of service.

(c) If the entire field of service occupations can be raised to a level in keeping with the strides that have been made by other branches of labor—through a well-planned program of the type advocated herein by the Booker T. Washington Birthplace Memorial.

We believe, too, that these provisions will help to insure intelligent service, more efficient labor, better personal relationship, and wholesome loyalty in service occupations. We further believe that this committee has the opportunity to help make all of these things possible by making available Slowe and Carver Halls to be used as a national institute of Industrial Training which shall constitute a unit of field services of the Booker T. Washington Birthplace Memorial in its program of training workers of low educational status for service and industrial occupations.

"We have doctors, lawyers, and professional men, but I want to say that your success depends upon the success and prosperity of the hard-working, laboring class of our men and women; when they fail you fall in the professional and business careers of life." (Booker T. Washington.)

**II. THE BOOKER T. WASHINGTON BIRTHPLACE MEMORIAL**

In the words of Booker T. Washington, "Ignorance is more costly to any State than education, and the highest education is that which fits an individual to live successfully in the community where his life is thrown."

Believing that millions of Negroes of low educational status can be given trade and industrial training to the extent that they can live more successfully in the various communities where their lives are thrown, and also make large contributions to local, State, and national welfare, more than 2 years ago the Booker T. Washington Birthplace Memorial was brought into existence. This is an organization made up of a number of outstanding white and Negro leaders of America. Its objectives are:

(1) To establish a service memorial at the birthplace of Booker T. Washington in Franklin County, Va.

(2) To make this service memorial serve as headquarters for a national program of trade and industrial training for Negroes below high-school level.

This program is based on the same fundamental teachings of Booker T. Washington and has been endorsed by the 48 Governors and the Seventy-ninth Congress of the United States. It covers a field of training for which very little provisions have been made in our present national educational set-up. The recent war indicated the grave need for such a program.

**Field service**

As planned, the Booker T. Washington Birthplace Memorial program will reach Negroes over the country by means of a field service which will operate in the various towns and cities of America. This proposal is an appeal to give us the opportunity to acquire Slowe and Carver Halls to be used as a unit of field service in this gravely needed program.

**III. NEED FOR NATIONAL INSTITUTE OF INDUSTRIAL TRAINING**

"One should learn to do the common things in an uncommon way." (Booker T. Washington.)

1. Low educational status of the masses of Negroes: According to figures compiled by the Bureau of Census, more than 90 percent of America's more than 13,000,000 Negroes are below fifth-grade level. Other groups have a lower percentage, but in the main there are millions of people in our country who are of low educational status. This vast group must be given the opportunity to earn a living in keeping with the American standard if our country is to continue in its role of world leadership. Further, this group

must also accomplish enough to make its contribution to national welfare. In order to achieve both of these ends, this large number of American citizens should be given opportunities for training so that they might be able to make the most of all of their potentialities.

2. Negro employed in service occupations: The last census listed nearly 6,000,000 Negroes gainfully employed in the United States. Of this number, approximately 80 percent were engaged in domestic services—a larger percent than any other field of employment except agriculture. While these percentages run abnormally high for the Negro, it is a fact that domestic and service occupations offer a large outlet for the services of unskilled labor in all groups.

3. Common occupations neglected in educational planning: The large number of American citizens who have to depend upon domestic and service occupations for a living, as well as the millions of Americans whose larger functioning in national life depend upon a well-fed, clean-housed and smooth-running domestic machinery, more than justifies the need for giving attention to the field of training in industrial arts—a field which has been, to date, sadly neglected in our educational planning.

4. Negro workers are untrained: Provisions for such training for the Negro worker especially are at present practically nil. He learns by experience if he learns at all. The public suffers while the untrained worker is learning by the hit and miss method, and thousands of dollars in time, food, and material are being wasted. Such conditions could be remedied, particularly in the Nation's Capital, if Slowe and Carver Halls could be used as a National Institute of Industrial Training for workers in industry and domestic service—with emphasis upon hotel and restaurant workers especially.

"Industrial education teaches the Negro how not to drudge in his work." (Booker T. Washington.)

**IV. HOW THE FACILITIES OF SLOWE AND CARVER HALLS COULD BE USED TO ADVANTAGE AS A NATIONAL INSTITUTE OF INDUSTRIAL TRAINING**

1. Use of present physical plant: Any program of industrial training includes housing quarters up to the American standard; a sanitary, convenient kitchen and pantry set-up; modern dining-room facilities, bath rooms; lounges; rest rooms; recreational parlors, etc. All of these are established in Slowe and Carver Halls and could be used to great advantage in a training program. There is, too, ample room for units of instruction since recreational rooms could do double duty as classrooms as well as serve as practice laboratories for training.

2. Maintenance of high living standards: The intelligence and living standards of the Negro population of Washington are, in the main, above the average of that of Negroes over the country. This standard should be a goal toward which the Negro population of America should work. To this end standards of living, of behavior, of personal appearance, of public actions, of Christian morale—of students and inmates of the National Institute of Industrial Training will be kept exceptionally high. Students and workers who cannot or will not measure up to the established standards will not be permitted to remain in the institute.

At least 85 percent of the present personnel of Slowe and Carver Halls will be retained if this request is granted. This will make it easily possible for present standards to be maintained. Ideals of behavior, of cleanliness, of thrift, of service, of living, etc., advocated by Booker T. Washington will be firmly implanted in the minds of both personnel and student body.

"Nothing ever comes to one, that is worth having, except as a result of hard work." (Booker T. Washington.)



purpose of ascertaining the truth. Will you send me your answers by telegraph, collect to my St. Paul, Minn., office, 707 Pioneer Building."

And to this hour I have received no answer.

Let me emphasize the importance of this investigation upon American prices by reporting to you a few instances of the manner in which governmental action has affected prices.

On February 13 the Department of Agriculture suddenly overnight granted Great Britain a special allocation of 1,200,000 hundredweight of flour for the second quarter of 1947. Futures of wheat advanced 3½ cents a bushel the next day, and the advance was soon reflected in the cost of flour.

On March 1, 1947, before the market opened, the President, in a meeting of the Cabinet Committee on Food, issued a report calling for maximum grain and flour shipments in the months of May and June, and the March futures that day advanced 7 cents.

On September 8, 1947, an official of the Commodity Credit Corporation was quoted as saying that Government officials handling the export program were resigned to \$4 wheat in the spring of 1948, and the next day the market advanced 8¼ cents.

In nearly all instances these inflationary statements were preceded by an unusual amount of speculation buying. When this occurs, the prices are pushed up an additional and unnecessary amount.

I am confident that we can level off and bring down prices if these steps are taken:

1. A prompt thorough investigation of all food market operations of the Government and of all officials and insiders of the Government.

2. The enactment of a law prohibiting the buying and selling of commodities for their personal account by any official or employee of the State, War, Commerce, or Executive Departments, and providing for penalties for its violation.

3. The extension of export controls and placing them in the hands of a new American agency for the handling of the entire Marshall plan.

4. A new inventory control power to be given to the Government to use against hoarding and profiteering and monopolies of scarce items, and requiring the return of excess inventories held by Government or by private companies to the market place.

5. The reinstatement of consumer credit controls to slow up installment and credit buying.

6. Temporary restrictions on the commodity exchanges.

7. Encouragement of buyer resistance, conservation, and savings.

America should not make the mistake of dislocating our economy and upsetting our excellent production by enacting the overall price and wage and rationing controls recommended by the President.

A bill to prohibit certain officers and employees of the United States from engaging in transactions involving contracts of sale of commodities for future delivery

*Be it enacted, etc.,* That no officer or employee of the Executive Office of the President, the National Military Establishment, the Department of State, the Department of Agriculture, and no member of the military or naval forces of the United States shall directly, or indirectly, through an organized commodity exchange, engage in any activity involving any contract of sale of any commodity for future delivery unless such activity is incident to the disposition of commodities grown or produced on land owned, rented, or leased, by such officer or employee. As used in this section, the terms "contract of sale," "commodity," and "future delivery"

shall have the same meaning as when used in the Commodity Exchange Act, as amended.

SEC. 2. Whoever violates the first section of this act shall, upon conviction thereof, be punished by imprisonment for not more than 3 years or by a fine of not more than \$10,000, or by both such imprisonment and fine.

SEC. 3. This act shall take effect on the thirtieth day after the date of its enactment.

## Radio Address to My Constituents

### EXTENSION OF REMARKS

OF

## HON. EDWIN ARTHUR HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. EDWIN ARTHUR HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address:

Dear friends of the Triple Cities and my congressional district, thanks, everybody, for all the letters you've been writing me lately, expressing your feelings about these heavy questions Congress votes on now and then. They help no end, because you give me the thoughts of the folks back home. I can do a much better job if I am fortified with the knowledge of what you think.

So keep those letters coming.

I am sorry to have to tell you that apparently not enough people in Congress are interested in joining me in the battle against inflation. At least not enough voted last week to pass the price-control bill which was offered.

You are aware, of course, that I was the first, the very first, to call for positive action against inflation and high prices. You recall that my demand that Congress come back into session as early as last fall was based on my worry over what might happen if those prices continued unchecked.

I have continually, both on the House floor and on this program, called attention to the necessity for immediate action by Congress to bring prices down. Therefore, I repeat, I am sorry to have to tell you that there just weren't enough votes cast this week to bring the action on prices which everybody had so urgently hoped for so long.

While I am depressed over the failure of Congress to do anything to lick inflation this session, my own conscience is perfectly clear. I have lobbied, I have agitated, I have coaxed, and I have warned what dire peril the country is now approaching. Sadly enough, my pleas and protests have fallen on deaf ears.

The bill which the majority leadership wanted to put through was a step in the right direction. It was positive action. It was the beginning of a war against inflation.

I am not going to quarrel over whether or not it contained all the power the President asked for. I'm not going to argue over the fact that some of the President's requests were in it, because they were.

But when Congress voted the anti-inflation bill down this week, the door was closed to all attempts to fight the high prices which are impoverishing the Nation about as fast as anything possibly can.

When a bill comes up in Congress I may not see eye to eye with all of it. But if some of the things I want are contained in it, I vote to consider the entire bill, because there is always a chance to improve any legislation.

Unfortunately, the House turned thumbs down on the whole works, so that no action

can be taken until Congress comes back next month.

As your representative, I want you to know that I brought all the influence I could to bear. The high cost of living is the foremost issue in the country today and we cannot deny it. Only it goes a lot farther than some would have you believe.

Yes, it goes a lot farther, and I am terribly afraid if the prices we are forced to pay go much higher our great American system is going to suffer thereby.

While the responsibility rests upon the shoulders of us all, it should rest most heavily on the consciences of those who have deliberately allowed the prices of food, clothing, and other necessities to go away out of sight.

The situation is so serious that plenty of families in America are going without the vital things they must have to live. They cannot buy enough to eat and wear, because they just haven't the money to pay the price.

How long can we tolerate a condition which creates poverty and want in the Garden of Eden and brings sorrow and despair to millions of Americans who have every right to expect happiness under our form of government.

I say to those responsible for the high prices we Americans are compelled to pay, it is up to you. Your stake in this country is as much as ours. Your profit could not be made under any other system. Let patriotism prevail over greed. Let your love for this country cause you to forget the passion for power and love of money and save America.

The Communists are on the sidelines watching. They gloat over every fresh inflationary trend. They laugh with satisfaction whenever butter jumps another nickel, meat goes higher, whenever the prices of clothing and other commodities make another gain.

So I direct my warning tonight to you men who make the wheels go around, you who control the finance, the business, the enterprise of this mighty Nation. We are all dependent upon your will in this matter.

If you want to keep our American system, if you want to preserve freedom, if you want to see other isms stamped out, then in heaven's name come forward and volunteer.

Volunteer to thrust aside all thought of high profits. Volunteer to do away with all factors that make for inflation. Volunteer to knock down the prices of things our people need to live.

Do not allow this vicious cycle to spiral skyward any longer. Do not, like blind Samsons, pull down the walls of the temple upon your own heads and upon the heads of us all.

Thank you.

## Stabilization of Commodity Prices

### EXTENSION OF REMARKS

OF

## HON. JOHN F. KENNEDY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. KENNEDY. Mr. Speaker, I voted against this Republican bill because it sends a boy to do a man's job.

Its effect on high prices will be negligible.

The Congress must pass a worth while anti-inflation bill that will contain the important powers requested by the President.



## State Asks Easing of Couples' Taxes

### EXTENSION OF REMARKS

OF

### HON. RALPH A. GAMBLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. GAMBLE. Mr. Speaker, yesterday the House granted permission for the insertion in the CONGRESSIONAL RECORD an article in the New York Times of Sunday, December 14, 1947 under the headline "State asks easing of couples' taxes" and quoting Governor Dewey as stating he will act in 1949 unless the joint property law is extended by the Congress. I introduced a bill which proposes that married couples in non-community-property States divide their income for Federal income tax purposes: H. R. 4416.

I am delighted to know that my Governor favors the enactment of this proposal.

The article referred to follows:

STATE ASKS EASING OF COUPLE'S TAXES—DEWEY SAYS HE WILL ACT IN 1949 UNLESS JOINT-PROPERTY LAW IS EXTENDED BY UNITED STATES  
ALBANY, December 13.—Governor Dewey announced today that unless Congress and President Truman acted in 1948 to permit married couples in New York and other non-community-property States to divide their income for Federal income-tax purposes the State would be "forced to modify its laws to protect its citizens as best it can from the present discriminatory situation."

The Governor opened the door to adoption in New York State of an admittedly undesirable community-property law in making public a report by Alger B. Chapman, president of the State Tax Commission, on whether such a statute would be advisable.

Both Governor Dewey and Commissioner Chapman frowned upon such a state law, but the latter declared in his report that New York should not permit a continuation of the "existing discrimination" in the Federal income-tax law, even if its elimination required the prompt adoption of the community-property system for the State in 1949.

Commissioner Chapman estimated that married couples in New York State were paying \$170,000,000 additional income tax annually as a result of the differential in favor of community-property taxpayers.

Commenting on the report, the governor said he would like to point out that:

"1. The existing discrimination against married couples in non-community-property States is an indefensible defect in the Federal income-tax law which should and, I earnestly hope, will be corrected at the next session of the Congress.

"2. Adoption of a community-property statute in New York would not only disrupt the whole foundation of our legal system, but would also involve questions of constitutionality which might severely limit the adequacy of such a statute.

"3. If the Congress and the President fail to take action in the coming year, the State will be forced to modify its laws to protect its citizens as best it can from the present discriminatory situation."

New York is one of 35 States which do not have community-property laws. Married couples in the 13 States which have such laws save millions of dollars annually by dividing their income for income-tax purposes.

Commissioner Chapman estimated that if married couples in all the States were permitted, by amendment of the Federal in-

come-tax laws, to divide their incomes the saving to them would be from \$700,000,000 to more than a billion dollars a year.

He said there were strong indications that the Federal law would be so amended at the 1948 session of Congress, adding:

"In view of the real probability that the existing tax discrimination will be eliminated in 1948 by Federal legislation and the near-catastrophic disturbance of property rights that would result from adoption of a community-property-law system, New York State should not adopt a community-property law at the present time.

"New York should, by all appropriate means, urge upon Congress and the President that the existing discrimination against New York State taxpayers be eliminated in 1948 by a correction of the Federal income-tax law.

"New York State should not permit a continuation of the existing discrimination, even if its elimination requires the prompt adoption of the community-property system for the State in 1949, if the Federal Government does not end such discrimination in 1948.

"In contemplation of the possibility that such action may become necessary a committee of experts should be appointed to prepare in advance an adequate community-property law, so that at least some of the serious complications that other recent community-property States have experienced may be avoided.

"Such a committee would, of course, have to give serious consideration to the hazards created by the Pennsylvania supreme court's decision in the Wilcox case which held the Pennsylvania community law invalid."

Commissioner Chapman mentioned, as an example of discrimination between States having community-property laws and those lacking such laws, the case of a husband earning \$5,000 whose wife had no income.

In a common-law State, such as New York, the husband would pay a Federal tax on his income and his wife would pay nothing. In a community-property State his income would be split with his wife, each reporting \$2,500 and thus receiving the benefit of lower surtax rates.

The New York couple would pay \$798 Federal income tax, while the community-property State couple would pay \$760. The difference in tax on a \$10,000 income is \$342 and on a \$15,000 income \$893.

"The discrimination starts with incomes in excess of \$3,000," Mr. Chapman said, "and in the higher income-tax brackets the tax difference broadens rapidly until in some cases the tax of noncommunity-property taxpayers exceeds that the community-property taxpayers having the same income by over 40 percent."

"The high Federal surtax structure of recent years has accentuated the tax differential in favor of community-property taxpayers until it is now estimated that from \$700,000,000 to a billion or more of additional tax is paid annually by the taxpayers of the common-law States. In New York alone the additional tax is estimated at \$170,000,000. Discrimination of such a substantial character in a tax imposed on all citizens and residents at the national level, supposedly on the ability to pay, cannot be tolerated by the common-law States."

The report emphasized the State's desire for a correction of the Federal law rather than for a community-property law.

"The second alternative, to adopt the community-property system," it stated, "represents a step to be taken only in desperation to avoid an intolerable tax discrimination resulting from a failure to solve the problem properly.

"Nevertheless, the fact remains that the Federal tax law has not yet been corrected and the annual cost to New York taxpayers thus goes on. Certain States have recently

shifted to community property as a matter of self-defense."

The report described defects of the community-property system and the effect adoption of such a system would have on New York State.

The commissioner said it was impossible to point to a single existing community-property system which might be safely adopted substantially "as is" by New York. He added that it would be a mistake to assume that, of all the plans, a community-property system necessarily would produce the most favorable result; that the community-property system magnified the record-keeping burden of taxpayers, and that there would be the danger of running into constitutional objections, as with the 1947 community-property law enacted in Pennsylvania.

"If tax considerations were excluded," he continued "it is clear that a shift to the community-property system would not be seriously considered in New York. It is so alien to the common-law heritage of the State and so complex in nature that it could not be established except at the prohibitive cost of a very long and painful period of readjustment. The difficulties encountered would inevitably be enormous.

"This has been and is the experience of the several common-law States which have recently enacted community-property legislation. In at least one of these States a repeal is being considered, even though the tax discrimination is not eliminated by Federal law, and Pennsylvania's new community-property law has recently been declared unconstitutional by the State supreme court."

## You Can't Fight a Conflagration With a Bucket Brigade

### EXTENSION OF REMARKS

OF

### HON. ARTHUR G. KLEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, December 15, 1947

Mr. KLEIN. Mr. Speaker, when an oil well catches fire a blast of nitroglycerin is used to snuff the roaring flames. The oilmen do not throw a handful of sand on that roaring inferno and pretend they are blowing it out.

This bill, which apparently represents the high mark of Republican assumption of responsibility for the public interest in halting inflation, reminds me of another fire-fighting story which is very apropos.

A guest in a small hotel telephoned the desk for a glass of water. He asked the bellboy to bring him another glass of water at once, then another and another.

Finally the bellboy said, "Excuse me, mister, but you are just about the thirstiest man I ever saw. How can you drink so many glasses of water?"

"Oh, I'm not drinking it," the guest replied. "The room is on fire and I'm trying to put the fire out."

INFLATION IS HERE NOW

Mr. Speaker, that is what the majority leadership is trying to do with this bill—put out a roaring fire with a few glasses of water.

Inflation is not something that may happen in the future. Inflation is some-



thing real and deadly which is here right now. This is not a partisan political issue. It is not a straw man to be beaten down with feathers. It is a clear and present danger to the American way of life.

And what does the Republican leadership do to meet this emergency? It fans the flames with words, while tossing in a few glasses of water to make the fire sizzle.

#### "FREE" PRICES HAVE SHOT UP

By any scale of measurement, your "free" or uncontrolled prices have shot up since the end of price controls in June 1946.

Individual incomes have crawled painfully after them.

Mr. Speaker, I ask you to consider what has happened to the cost of living and to workers' incomes in the last 18 months. You must bear in mind that the individual incomes of wage-earners and of salary earners, and of the people who live on annuities or insurance and retirement benefits, or on investments in securities, are under control. They are controlled by those who pay them their wages, or by union contracts, or by the terms of their insurance policies or the stated interest rates on their bonds. The salaries of Federal employees are controlled by laws, which we make here. Furthermore, even the collective bargaining efforts of organized labor have been placed under partial controls by the Taft-Hartley Act, which encourages employers to hold out against wage increases—or even to cut wages, as was done in the shoe industry this very week.

#### NO CONTROL ON PRICES

But prices are free; the manufacturers of the commodities which people must have to live are controlled only by the limits which people will pay, and apparently these manufacturers are trying to find how wide that limit is.

Workers must eat, every day; manufacturers can, if necessary, stop making goods for a time. Already, to sustain the high prices, production in some lines has been reduced.

In the first 12 months without price controls, from June 1946 to June 1947, statistics show that, taking June 1946 as 100, average weekly earnings in manufacturing industries equaled 117 percent; but the prices on 28 spot commodities—those which enter into every house-keeping budget—equaled 170 percent. The prices on 12 key foodstuffs equaled 186 percent.

#### WILL VOTE FOR BILL

Mr. Speaker, I am going to vote for this bill before us because a little is better than nothing, and because it contains the irreducible minimum of the President's requests on controlling inflation. I voted a few minutes ago against the rule and for recommitment because I should rather have had a chance to vote on a measure with teeth in it.

To return to my earlier figure of speech, I wanted a chance to vote for a modern trained fire department to fight this conflagration of inflation, and not for four glasses of water to splash on the edges of the fire.

FIFTY WEEKS, 40 HOURS A WEEK, AT \$1.75 AN HOUR TO SUPPORT A FAMILY

Today butter is selling in the stores in my congressional district in New York at \$1 a pound.

This very week the Commissioner of Labor Statistics gave the Committee on the Economic Report the results of a study of living costs. Those figures showed that in New York City a family composed of a man and his wife and two children had to have an annual income of \$3,347 to live in minimum comfort and decency—an increase of \$527 in the preceding 12 months. To earn that amount the man would have to work 40 hours a week 50 weeks a year at \$1.57 an hour. The national average of hourly earnings in the manufacturing industries is \$1.25 an hour.

The same man would have to earn \$1.75 an hour to support the same family here in Washington.

Mr. Speaker, by jamming through this inadequate legislation the Republican leadership may have exhibited political cunning, but it has certainly failed in its responsibility to the Nation, and the people know it. I do not think that this Republican majority will be here in the next Congress.

### United States Is Losing Out on International Trade Organization Board Plan

#### EXTENSION OF REMARKS OF

#### HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. KNUTSON. Mr. Speaker, the efforts of our State Department to trade away our industries and to establish free trade have been partially successful. However, the United States delegation to the United Nations Conference on trade and employment now in session in Havana is discovering that other countries are not too anxious to become enmeshed in a free-trade system unless they are allowed the privilege of protecting their young and struggling industries. The United States is being outvoted on every major issue.

Very few people know what is likely to happen to our country if this ITO should be adopted. The smaller countries are more aware of its potentialities and are rightfully fearful that if they are not allowed to protect their infant industries they will continue to be economically subservient to the more powerful nations. I am not too sure that the Charter in its present form would not tend to do that.

It may cheer some of the less developed countries to know that many Members of the Congress of the United States are opposed to any international organization that would even make it possible for larger nations to dictate in any way what might be done with the vital industries of any country. The spirit and acumen of the delegates from some of these small neighbors of ours is to be commended.

The following article taken from the New York Times of December 18 shows that the free-trade efforts of certain delegations are not meeting with too much success:

UNITED STATES IS LOSING OUT ON INTERNATIONAL TRADE ORGANIZATION BOARD PLAN—SMALLER NATIONS FIGHT SPECIAL PLACE ON THE EXECUTIVE, A FACTOR IN VOTE PLAN DEAL  
(By Russell Porter)

HABANA, DECEMBER 17.—The United States delegation to the United Nations Conference on Trade and Employment today seemed to be losing its fight on the method to be used in determining the composition of the executive board of the proposed International Trade Organization.

When the United States accepted the one-country-one-vote plan of the smaller countries and abandoned the struggle for an International Trade Organization voting system weighted in proportion to the comparative economic strength of the member nations, which would have given the United States heavy voting strength, this concession was made conditional on prevalence for our ideas on the executive board and some other major issues. However, at today's meeting of the organization committee it was announced that of 44 delegations that have spoken in the debate on the executive board only 7 support the proposal favored by the United States.

This is one of the issues left unsolved by the Geneva Conference of the 18-nation preparatory committee which submitted the draft charter for the approval of the 58 delegations here with 3 possible courses on the composition of the executive board.

#### EIGHT MEMBERS NAMED

The first proposal specifically names the United States and seven other nations of major economic importance among the 18 board members, assuring 8 countries of permanent seats. It also assigns certain seats to geographic areas—Latin America, the Arab states, and Scandinavia. Only three delegations have spoken for this plan.

The second course merely says that holders of 7 of 15 seats shall be eligible for immediate reelection, the remainder of the seats rotating, but it does not assure the United States or any other country of a permanent place. Twenty-seven countries have spoken in favor of this.

The third proposal, supported by the United States, says that eight states of chief economic importance, as determined by the conference, shall be entitled to membership on a board of 17.

Although the United States delegation feels that it is inconceivable that a permanent seat would be denied to this country even if the second course were adopted, the possibility is foreseen that the small and undeveloped countries, which are in a numerical majority, might deny executive seats to other larger and more industrialized nations.

Since the undeveloped countries are insistent on the right to use import quotas, other quantitative restrictions and preferential tariffs to protect their new and infant industries against competition from more highly industrialized countries, it is feared in some quarters that the second course might enable them to nullify the charter objectives for the gradual elimination or reduction of barriers against international trade.

Canada and Brazil, which desire permanent executive board seats on the basis of their economic importance, supported the United States at the economic development committee meeting today against the joint attack of Argentina, Chile, and Venezuela.

J. J. Brignoli, of Argentina, argues against so much power in ITO, saying that it should



be able to make recommendations only. Otherwise, he said, nations would have to give up the conduct of their economic life, "one of the vital elements of sovereignty" to a "supranational body."

Dana L. Wilgress, for Canada, said that the Argentine proposal would violate the most-favored-nation principle regarded as one of the vital elements of the charter. He said that prior approval was necessary to weigh the advantages that preferences might bring to some countries against injuries to others, which might include certain undeveloped countries themselves.

The general committee, after a 3-hour debate tonight adopted a resolution directing subcommittee chairmen to make full and informative statements to the press after each private subcommittee meeting in collaboration with the United Nations Department of Public Information. The resolution was moved by Clair Wilcox, of the United States. Ten voted for it, one against, and there were four abstentions and three absentees. The negative vote was cast by Cuba.

## Control of Consumer Installment Credit

### EXTENSION OF REMARKS OF

**HON. E. WALLACE CHADWICK**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. CHADWICK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

PHILADELPHIA, Pa., December 17, 1947.

HON. E. WALLACE CHADWICK,  
House of Representatives,  
Washington, D. C.

DEAR MR. CHADWICK: This letter is written on the assumption that you would welcome an expression of opinion relative to the move to have Federal controls again imposed on consumer installment credit as a means of checking inflation. I think I am in position to speak in a disinterested manner since I have nothing to do with granting credit.

Since a good deal of my work throughout Pennsylvania is done on behalf of so-called necessitous borrowers, I ask the privilege of speaking for low-income families who must occasionally seek cash credit to meet emergencies. You can readily see that the money they borrow has little or no influence toward inflation, and that to further restrict their sources of credit would be to impose an injustice.

When loans granted annually by State-licensed and regulated lenders in Pennsylvania are classified according to the major purpose for which the money is obtained, the largest grouping is headed, "Medical, dental, and hospital bills," and includes between 15 and 20 percent of the total. The class next to the top is "For consolidating overdue bills," and includes another 15 percent of the total. Other classifications are "Funeral expenses," "Fuel," "Moving expenses," "Mortgage payments and interest," "Insurance." It is reliably estimated that more than 70 percent of all credit granted by licensed small loan companies in the United States is for such purposes.

It need not be pointed out to you that for more than 30 years the Pennsylvania Small Loan Act has limited such loans to \$300 and says the borrower shall have 18 months to repay if he needs that much time, regulation W cut the loan period to 12 months. That meant that often the money needed to tide over a crisis could not be granted because the family income would not allow for the installment payments. The average loan in

Pennsylvania last year, under regulation W and the Pennsylvania small loan law, was less than \$175, and the average balance December 31 was only \$143. But the number of loans granted indicates that more than one out of every five families in Pennsylvania required help of such nature during the year. Even if this type of credit were inflationary in character, the total national volume would be of insignificant importance.

The small-loan law was originally adopted to make it possible for honorable businessmen to provide adequate and legitimate credit for low-income groups. As a result, there are today over 500 such small business establishments serving Pennsylvania communities in that capacity. The secretary of banking bears testimony that they are keeping faith with the public. The Honorable D. Emmert Brumbaugh, speaking in Philadelphia on November 12, 1947, said that not one complaint had been registered with the department against a licensee since he had been in office. Why subject them again to double policing?

It is of these hundreds of small business people and their thousands of humble customers that I request you to think when you are urged to help reimpose Federal controls over consumer installment credit.

Respectfully yours,

CURTIS A. WILLIAMS.

## Fuel Oil Shortage

### EXTENSION OF REMARKS OF

**HON. MARGARET CHASE SMITH**

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mrs. SMITH of Maine. Mr. Speaker, war machines run on oil. Oil is the war fuel. Consequently, the most intensive search for oil in history is under way, reaching into almost every part of the world. In this international race for scarce petroleum, drilling rigs are boring for oil in at least 45 countries. In the few areas where oil lands are still untouched, governments and private companies are competing for the right to exploit new fields.

In my recent trip I saw the American oil operations in Saudi Arabia. United States firms are exploring for oil in Panama, Ecuador, Saudi Arabia, Italy, and Denmark. New oil discoveries have been made in Alaska, Chile, Sweden, Japan, Austria, and Morocco. International exploration is being conducted in Canada, the Bahamas, Venezuela, Britain, the Netherlands, Egypt, New Guinea, the Middle East, and Australia. Government exploration is predominant in countries in which oil is nationalized—Mexico, Brazil, Argentina, Turkey, and Russia. Fortunately for us, Americans are far in the lead in this world-wide search for a vital fuel.

The subject of oil is of great current interest to New Englanders, especially those of Maine, who are faced with a shortage of fuel oil during the cold winter season. Like all of the rest of the New England delegation, I have been working very hard on this matter which seems to center in getting more oil tankers assigned to this area. I have taken the matter up with the Maritime Commission and the major oil companies. In

addition to this my Armed Services Committee is making an investigation and bringing pressure for action. Some encouraging results have been obtained as the Maritime Commission announced on December 15 that it had completed arrangements for putting into operation all of its idle tankers which are commercially usable. However, Maritime Commissioner Raymond S. McKeough stated the next day to the House Commerce Committee that the Maritime Commission has no tankers that could be used to ease fuel shortages on the east coast. It appears that the real reasons for this lack of oil tankers for the east coast are: First, that too many of them have already been sold to foreign countries; and second, that the United States oil companies simply will not assign more of their tankers to carry oil to the east coast.

The assistant to the President of the Standard Oil Co. of New Jersey states that there is no shortage in Maine at present. The Bureau of Mines reports that Maine will use approximately 1,590,000 barrels of heating oil for approximately 44,500 units during the current year. With these conflicting reports, I am convinced all the more that the best authorities as to whether a fuel oil shortage actually exists in Maine are the Maine people themselves.

Under unanimous consent, I include with my remarks an editorial from the Portland Press Herald, December 18, concerning "surplus" tankers:

### MORE BLUNDERING

The Maritime Commission has announced that it has no surplus tankers to put into the oil supply service along the eastern seaboard. All its tankers have been sold, it says, to domestic and foreign buyers, or promised for delivery. No fewer than 83 of the ships have gone abroad and there would be breach of contracts and so forth were the United States to renege on the transactions.

But the Commission also says that the last of these 83 tankers was sold last Friday—surely an amazing admission when everybody has known and has been talking for weeks about the current and growing scarcity of oil along the east coast particularly, where tanker service is accepted as the answer to supply problems. That seems to argue either indifference to the situation or so complete a lack of knowledge of it as to impeach either the integrity or the intelligence of this Government agency.

But it is not the Maritime Commission alone which is to blame: It says that the 83 tankers were sold abroad upon specific recommendation of the President and Cabinet. That plainly fastens responsibility upon the administration which is convicted of blundering.

Why it blundered is probably clear enough; it was willing to pour out American resources (and for a song) to aid Europe to get back on its feet, and it did aid Europe in this case with a burst of emotional bigheartedness, having no thought for the realities of the domestic situation. That would be more of the fuzzy thinking that has too often characterized the formation and execution of recent American policy. No doubt it was pleasing to the Wallaces, but it is not good for the country.

More and more, sentiment seems to be crystallizing in Washington and elsewhere that we have a duty to keep America strong; not only a duty to ourselves, but a duty to the democratic world which looks to us for protection, and even for life. The Congress,



literally millions of workers who are receiving very small wages, and there are literally millions of others who have put aside savings and war bonds and have savings accounts, but are forced to use them to live. Tens of thousands of veterans of World War I who are 75 or 80 percent disabled, with families, but cannot secure any pension, and there are tens of thousands of veterans of World War II who are in school or taking training under the GI bill of rights. These high prices will force many of these veterans to discontinue their training unless they are given aid.

These needy people cannot pay a dollar a pound for meat and a dollar a dozen for eggs, and comparable prices for other necessities. They have been forced to cash their bonds, go into their savings accounts that they had hoped to provide for themselves when they became old, and billions of dollars of savings that had been put away to buy homes, furnishings for homes, or to send their children to college. These savings have been and are being depleted every day, and the first thing we know we will have millions of people in this country dependent upon charity. These high prices have cost the American people and their savings billions of dollars, and as we continue to strip this country of its supplies these prices go up; and purchasing power of their money goes down. It will mean greater hardships, greater suffering and sacrifice upon these millions of Americans. This condition in this country is largely due to the unwise policies of the Roosevelt and Truman Administrations in stripping this country of its necessities and giving them to foreign countries. He should cut out these heavy exports of food, feed and other commodities in short supply.

I think it would be very unwise as well as unjust to the American people to now enter upon a worldwide WPA as is contemplated by Mr. Truman and his Administration. Prices must come down. Prices are bound to rise and the threat of uncontrolled inflation must increase so long as this administration follows its present policy.

I heard a number of Members speak, who had visited Europe, and recite what they had seen and heard, but I do not recall any one of them stating that they had seen anyone who had starved to death or who was starving to death in France, Italy, or Austria, or any other of the unoccupied countries. We learned a few days ago that in our own country about one-half of the Navajo Indian Tribe dies before they are 5 years of age, and that it has more tuberculosis than any other spot in the United States; that more than 100 have actually died of starvation or malnutrition, and there are 15,000 Indian children without any school facilities. This tribe of Indians was placed by our own Government on this barren reservation. I wonder if it would have ever been heard of if a movement had not been put on foot to give aid to Europe? Who can estimate how many millions of needy old people died in this country within the last 2 or 3 years because of malnutrition, lack of medical care, lack of shelter and proper clothing? How many of our veterans

and their dependants have suffered because of lack of proper food, shelter, and clothing? Should not our first concern be for the needy people and the needy veterans of our own country? They are not responsible for these high prices. They did not strip our country of its supplies and give them away to foreign countries, and why should they continue to suffer and in the end their savings disappear and be thrust upon public charity?

The Holy Writ declares, "He that provideth not for his own household hath denied the faith and is worse than an infidel." Whatever others may say or do, I feel that it is my duty to provide first for the household of America.

#### PEACE AND COMMUNISM

No one craves world peace or has worked harder according to his abilities to bring about world peace than I have. On the other hand no one has less use for communism than the people of my district and myself. We do not have Communists or communism in the Ninth District of Kentucky. We were told that these gifts to Italy, France, and Austria would bring about world peace and head off communism. These countries have embraced socialism. There is not a great deal of difference between socialism and communism. Both of these are against private enterprise and against the true American way of life. To the very great grief of myself and the American people, neither World War I nor World War II brought peace and we appear to be as far from peace today as we were the day shooting ended in World War II.

Joe Stalin, first and last, has secured about \$15,000,000,000 of lend-lease from our country. No part of it has been repaid and they refuse to talk about repaying any part of it. The American armies reached Berlin before the Russian armies and were about to enter the German capital, but Stalin insisted that the American armies withdraw and permit the Russian armies to enter and take possession of Berlin and the Americans agreed. This was a bad blunder on our part. Stalin has never relinquished that control. The other part of Germany was divided among the French, British, and Americans. Stalin claims under an agreement he made with Roosevelt and Truman that Russia was to have ten billions of reparations from Germany. Stalin has taken charge of all the factories and other industrial plants in the Berlin sector. This was about 30 percent of the factories and industrial plants. He claimed that he was entitled to 25 percent of the factories and industrial plants in the sectors held by France, Britain, and the United States. In the American zone there has been dismantled, principally at the expense of the American Government, more than 600 of these plants or factories, and they have been turned over to Stalin. Therefore, Stalin is claiming 55 percent of all the industrial factories and plants of Germany and they are being sent to Russia.

Of course, the small amount we are sending now to France, Italy, and Austria is only a drop in the bucket to what Stalin is grabbing up in Germany and we are helping him to do it and still we say

we are sending a small amount of this food and other supplies to help prevent communism in France, Italy, and Austria. Many Members of Congress and the other American citizens have demanded that this be stopped, but the administration does not stop it. This is, of course, in addition to the lend-lease that has been flowing into Russia for many years and still continues to this day. These include more than 100 railroad locomotives, great numbers of railroad cars, steel, farm machinery, and other essential and scarce commodities in this country. It is unthinkable, yet it is a fact. Why ship these supplies to France, Italy, and Austria to check communism when we are sending this very essential and necessary machinery, equipment, and supplies in short supply in this country to Russia? Are we trying to duplicate what was done before World War II started? We shipped great quantities of scrap iron, steel, gas, oil, and other war supplies to Japan and then loaned to China a few million dollars and when the war between China and Japan was in progress.

I am one of many Americans who have insisted for months that this administration quit shipping our machinery, railroad equipment, and other supplies to Russia. We canceled our debt with Great Britain of World Wars I and II, amounting to more than \$40,000,000,000. We let her have \$6,000,000,000 of surplus war materials and supplies, and then we loaned her \$3,750,000,000 in cash in the hope that she would avoid socialism and communism. Of course, she will not repay any part of this money. I did not vote for it. She has wasted our cash and supplies in establishing a socialistic government in Great Britain. They are against private enterprise. They believe in government ownership and have taken over the railroads, mines, and other private property, and they have fritted away our taxpayers' money in this socialistic experiment. Their officials and leaders denounce our private enterprise and our American way of life. It is my observation that no country can be saved where its people are not willing to save themselves, and I shall not vote finance taken out of the American taxpayers' pockets.

Britain, France, Italy, and other countries of Europe will have the kind of government that their people want. We can destroy the credit and resources of our country and go into bankruptcy in trying to run the governments of Europe and in the end they will not be saved unless they are willing to work, produce, sacrifice, and save themselves. At least we cannot afford to destroy this great Nation and its Government and bring our people to want and misery to save any other country on the earth. We have helped them and will continue to help them in such reasonable way as we can, provided they will help themselves. We must constantly keep in mind that our people have the greatest debt and we are paying the highest per capita taxes of the people of any country in the world.

#### EUROPE USING GRAIN TO MAKE LIQUOR

Another important matter developed in considering this claim for relief and



it has been carried in the press. There was a great demand some months ago on the part of the American people that in view of the shortage of wheat and other grains, the distillers and brewers should close down their plants and in that way save grain. They did close down their plants but information leaked out that wheat, corn, and other grains were being used in Europe to manufacture intoxicating liquors.

Fifty percent of our whiskies are made in Canada. The distillers and brewers of Europe and Canada promptly took advantage of the holiday declared by American distillers and brewers, and, of course, shipped great quantities of intoxicating liquors to the United States and for which they received fancy prices. If there is such a shortage of grains in Europe that we must deplete our grain supply and greatly increase the price of bread and feed and send 550,000,000 bushels of grains to Europe under the guise that we are to feed hungry people, it does not set well with me and the average American to know that they are using their grains over in Europe to manufacture intoxicating liquors and then to send these liquors into our own country. May we suggest Europe give her hungry people bread instead of liquor. Canada, instead of sending her grain free to Europe, takes advantage of the situation and provides us with about 50 percent of the liquor consumed in our country at a very low tariff. This is in line with the 37,000,000 bushels that the Italians failed to disclose and in line with the French farmers who are feeding their wheat to their livestock, and neither country making available their wheat for their needy people. With the information that I have set forth, I do not see how I could consistently support this bill.

**John Peter Altgeld**

EXTENSION OF REMARKS  
OF

**HON. MELVIN PRICE**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, December 19, 1947*

Mr. PRICE of Illinois. Mr. Speaker, under leave to revise and extend my remarks, I feel it fitting to insert in the RECORD an editorial appearing in the December 15, 1947, issue of the East St. Louis (Ill.) Journal. This editorial is a fitting tribute to John Peter Altgeld, first Democratic Governor of Illinois (1893-97) after the War Between the States. Altgeld did much to foster the true spirit of democracy. I personally have always felt he contributed far more than people realize to our great American freedom, and I think it commendable that his memory will now be honored and revered, as it should be. The editorial follows:

FORGOTTEN EAGLE REMEMBERED

A Justice of the United States Supreme Court will be the principal speaker at a banquet in Chicago on December 30 commemorating the one-hundredth anniversary of a

man who 50 years ago was scorned and abused as the "foreign born" governor of Illinois who "freed" the haymarket "anarchists."

John Peter Altgeld was born in Germany. He came to the United States when a boy and worked at any job to be had to win a law education. He became successful as a lawyer and real-estate operator in Chicago and in 1892 was elected Governor of Illinois. During his term of office he initiated many reforms and was a practical friend of the University of Illinois.

But he doomed his public career by pardoning three men who had been sent to prison following conviction of complicity in the May 4, 1886, rioting in Haymarket Square, Chicago, during which several policemen were killed by the explosion of a bomb thrown by parties yet unknown. Of the eight men convicted of the Haymarket killings, four were hanged and another took his own life in prison. Altgeld knew exactly what he was doing when he pardoned the other three. He died, practically penniless and with few friends, in 1902.

Poet Vachel Lindsay, who lived next door to the executive mansion in Springfield, reminded his fellow Americans of Altgeld's courageous fight for tolerance in the poem "The Eagle That Is Forgotten" and in recent years several books have told the true story of the Haymarket affair, the travesty on justice that was the "trial" of the suspects, and Governor Altgeld's deep interest in the case.

A relatively few Illinoisans will attend the December 30 banquet in Chicago. All residents of the State—or any State—who prefer truth to prejudice, even if a half century late, can pay tribute to the memory of "The Eagle That Is Forgotten" by reading an objective account of what really happened in Haymarket Square and of the even more shameful proceedings in a court of law.

### President's Policies Responsible for High Cost of Living

EXTENSION OF REMARKS

OF

**HON. CHARLES W. VURSELL**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Friday, December 19, 1947*

Mr. VURSELL. Mr. Speaker, in representing the people of my district for the past 5 years, I have always tried to tell them the truth. If the people return me to Congress in the new twenty-fourth district, I shall resolutely follow the same course. I believe the people are entitled to the truth at all times on legislation coming before us. Today I want to give to the Congress and the people some true facts that have brought about the high cost of living.

Mr. Speaker, while the President tried to blame the high cost of living on the Republicans for taking off OPA controls in 1946, the facts prove that the action of the President and his policies of urging wage raises and exporting so much of everything out of the country are the real causes of present high prices.

If the administration had permitted the OPA Act to be amended with a slight raise in certain prices that would have offset advances in costs and brought about greater production, which the Republican Congress passed, and he vetoed, price controls at that time, in 1946, would

probably have maintained for another year. He vetoed the bill and all controls were off for over 30 days. He insisted on another bill which the Congress passed and he signed. If the President had appointed men of ability and common sense who would have administered the act with some respect for the people instead of using gestapo tactics, the people would have endured further price controls. Their bad enforcement really killed the act.

You will recall that producers and farmers had become so enraged that we had meatless days almost 6 days a week throughout the country. This last OPA bill gave the President the power to take off controls whenever supplies justified such action.

This was in the election year 1946 and the people were tired of OPA. The majority leader, Congressman McCormack, and the great Mayor Kelly, of Chicago, when they later saw that an enraged people were going to defeat the Democrat Party, rushed down to the White House along with National Committeeman Hannegan, and urged the President to throw the OPA ballast out of the political ship before it sank. The President, politically minded then, as he is now with another election approaching, began rapidly to take off controls. But it was too late to fool the people. His party was voted out of power and the President was humiliated. Before the Congress met, and having in mind they would take off the last of the controls, he decontrolled everything to beat a Republican Congress to the draw.

Mr. Speaker, then what happened? His party leaders realized that to fasten the blame on a Republican Congress the cost of living should go up. The shipment of food and commodities of every kind to Europe and the other nations was the answer. The Commodity Credit Corporation stepped into the market and began buying up countless millions of dollars worth of grain and foodstuffs. Ships were chartered on every hand and during this year 611,000,000 bushels of grain and food were shipped out of this country, most of it given away to the European countries. In fact, since VJ-day in Europe this administration has shipped and given away in loans and grants to other countries, \$21,000,000,000 mostly for food, oil, steel and practically every commodity in this country whether or not it was in short supply. The result is that with the expenditure of over \$20,000,000,000 since VJ-day, they have now brought about a shortage of food and other items the people want to buy, to the extent that the cost of living is indeed very high today and we are in a period of the greatest inflation ever experienced in this country.

Mr. Speaker, in the face of these facts, the President, time and again, has told the American people, that the shipping and giving away of these billions of dollars worth of foodstuffs has had little or no effect in causing the price of living to rise. There is hardly a schoolboy, laboring man, farmer, or a businessman in the Nation who does not know that the shipping out of this country this vast amount of foods and materials, is the



reason for the dangerous and high prices that are now disturbing and alarming the people.

Mr. Speaker, to get a better idea of how much 611,000,000 bushels of grain and food is, let me put it this way: It took 480,000 American boxcars to haul that food to the seaports for loading into ships. If those 480,000 boxcars of food had been broken down into trains of 52 cars each, with 90,000 pounds in each car, there would have been nearly 10,000 trainloads of grain and food with 52 cars in every train. By putting those 480,000 boxcars into one train we would have a train 3,861 miles long that would reach from Washington to Paris and part of the way back. Yet the President says these huge shipments in 1 year have little effect on raising the cost of living. In addition to this food, the church people, individuals, and charitable organizations have sent to the people in Europe nearly \$2,000,000,000 worth of food and clothing in smaller packages.

In the face of these facts, which are only a part of the story, the President and his political leaders still insist that the Republican Congress is to blame for the high cost of living. The President now threatens to bring back OPA with all of the agony of controls, regimentation and black markets that will follow.

"Plow 'em Under" Henry Wallace, who killed the pigs under a former administration, and plowed under every other row, has really become a piker in history compared with the manipulations of the present administration.

Mr. Speaker, they smile with satisfaction, however, in these most serious times with this high cost of living and dangerous inflation staring the Nation in the face, in the belief that with their 23,000 paid propagandists here in Washington, they can make the people believe that the Republican Congress is responsible for the high cost of living right up until the election next fall and continue themselves in power.

I do not believe they have fooled the people. I place a higher value on the people's intelligence, common sense, and good judgment. I feel certain that the American people know that you cannot ship out of this country 40 percent of the wheat, and other billions of dollars' worth of food and merchandise, bringing about a scarcity of these commodities here, without causing the price of living to go higher, higher, and higher.

Mr. Speaker, and this is not all. Through the Commodity Credit Corporation, they have gone into the market and bought millions of bushels of wheat at critical times forcing the market up. About the time the Luckman committee was appointed, 3 months ago, the Commodity Credit Corporation stepped into the market and in just a few days bought 55,000,000 bushels of wheat when it already had millions of bushels on hand. What happened to the price? Wheat rose in a few weeks from \$2.50 per bushel to over \$3.20 per bushel. Government buying forced the price up.

Mr. Speaker, not only wheat, they bought potatoes by the millions of bushels and took them off the market, dumped them, burned them or left them

in the fields to rot at a time when they were shipping wheat and foodstuffs of all kinds and giving it away to Europe and other countries. They have kept the prices of potatoes so high that the poor people here in America could not buy them. They have bought and now have in storage, 1,800,000 cases of eggs. They have bought food through the Commodity Credit Corporation in everything from peanuts to prunes, much of it deteriorating and being held off of the market with prices going higher and higher.

Mr. Speaker, then their experts figure out the next move. In order to give the people a first-class show the bright boys who believe in the philosophy of spending and taxing, recommended to the President that the people should be made self-conscious through the medium of the press and the radio toward the saving of food. They launched the European crisis. This crisis, they said, was to save food for the people of Europe. A great publicity and radio campaign would soften the people up and get them ready for the 20-billion-dollar Marshall plan of further spending.

To do this job they got a young man in his thirties of soap-opera fame, Charley Luckman, to sell our people meatless, eggless, and poultryless days. Mr. Luckman was just the type of man who could rub elbows with the ordinary and unsuspecting decent American folks. He knew what sacrifice and hunger meant because at this early age his salary at the head of the great Lever world soap and fat combine, with head offices in London, was only \$300,000 a year.

Now, Chuck Luckman spent several hundred thousand dollars of the taxpayers' money to put on his meatless, eggless, and poultryless days. The whole thing turned out to be just the farce any sensible person knew it would be. No results obtained, but the campaign was very successful, as usual, in the waste of several hundred thousand dollars to the taxpayers and annoyance to the hard-working farmers who struggle long hours without too much complaining to produce the eggs and poultry so much needed to feed the people. The facts are the only egg saved was the egg that Chuck Luckman laid on the White House doorstep just before he suddenly gave up the campaign and rushed back to Boston to sell soap at a salary of \$300,000 a year.

Mr. Speaker, the campaign was doomed to failure because the President picked someone who knew nothing about agriculture, who did not even know what changes were necessary to convert a rooster into a capon. He selected a person whose only experience with chickens was gained when he ordered chicken at the corner restaurant. He was not nearly so competent by past experience as "Plow 'Em Under" Henry Wallace when he started out on his crusade to raise the cost of living by killing off the chickens, pigs, cattle, and so forth. Henry knew that to kill them off would make scarcity.

With a meat shortage predicted for next year, Luckman and the administration put on the same sort of a program of scarcity to raise less chickens and thereby less eggs. They said we must do this to save grain to be shipped

to Europe. It was a determined effort against the interest of the farmers and the people in the cities who need the food and to bring about a shortage of poultry and eggs which would further raise the cost of living to our own people. Fortunately the program was so silly that it did not do too much harm and the campaign blew up.

Mr. Speaker, as cheerful Chuck laid the "Eggless day program" on the White House doorstep and went back to selling soap, the unmindful hens, according to the Agriculture Department, are pouring out more eggs than ever. One is led to believe when you see the figures from the Department of Agriculture which say that in October egg production was 3,457,000,000 or about 8 percent above the figures of a year ago, that the faithful hens of America knew more about the business than Chuck knew, and if left alone and not controlled, they will do more toward feeding the American people and bringing down the high cost of eggs to the housewives than the efforts of cheerful Chuck and the thousands of dollars of the taxpayers' money the administration has spent.

Mr. Speaker, if Luckman is called in by the Administration to put on another egg and poultry campaign, he will most likely then tell the people they should have double egg days instead of no eggs; that they should be happy to eat eggs instead of meat which will be in short supply next year according to present Government estimates. The shipping of grain and food out of this country has raised the price of corn, oats, and wheat so high, there will be less pork and beef for 1948. We will then be glad that Chuck's program to reduce poultry production failed.

Mr. Luckman's English firm and American subsidiaries like the Procter & Gamble Co., almost have a world monopoly on soap, fats, and oils. During the 3 months reign of the Crown Prince Luckman to save grain, soaps, fats, and oils went up 150 percent. While this \$300,000 a year man was raising the big noise about saving wheat, pushing the hens around and trying to muffle the crowing roosters, the products his company deals in did pretty well in their advancement in price. A raise in soaps, fats, and oils of \$3,000,000 a day, in cost to the consumer and a like amount in profit to someone was not bad.

Mr. Speaker, a man by the name of Pauley came into the news in the last week or so and a little comment on him in connection with the rise of cost of grain might not be amiss. You will remember Pauley was the oil man of California who, in the last campaign was treasurer and the fund raiser of the Democratic National Committee.

You will remember that shortly after the campaign, President Truman appointed him as Assistant Secretary of the Navy. Some question arose when he came before the Senate for confirmation and Harold L. Ickes, then a member of the Cabinet, appeared before the Senate and gave very damaging evidence against him in which he alleged that Mr. Pauley sought to make a deal that would be very advantageous financially to him in securing control of the tidelands for oil on



the west coast. Mr. Ickes in substance testified before the committee to that effect, and the committee did not confirm him. The President finally had to withdraw his name. Later on, he was appointed to some high Federal job and spent quite a bit of time in China, Japan, Manchuria, and in Europe looking into reparation matters for the administration. Last September he was appointed to the position of Special Assistant to the Secretary of the Army. You know the Army buys many millions of bushels of grain and food.

Mr. Speaker, now, recently, you will remember the President sought to lay the blame for the high cost of living to a considerable extent on what he termed "the greedy speculators in the grain markets." Following this charge by the President the news leaked out somehow that Mr. Pauley was a heavy buyer on the grain market.

Mr. Pauley was called before the Senate committee and admitted he held about \$1,000,000 worth of grain and commodities when he took the Army position. He told the Senators that he did rather well in commodity trading during this year 1947. He admitted that at one time he held 500,000 bushels of grain. That is a lot of wheat for an official to hold when it is scarce. The committee is looking further to find out if other men high in Government who know what is going to happen in the future have also been speculating in grain. Mr. Truman referred to the greedy speculators in his speech against the grain operators and now we find, in this key position, Mr. Pauley, who admits that he was one of those speculators and who says he has no intention of resigning his position."

It would seem that the President ought to clean up the mess and start by firing Mr. Pauley, but on his past record one could not be very optimistic that he will so act.

To show the lack of sincerity of this administration in attempting to reduce the price of living and the type of showmen they bring in to mislead the people, I want to point out that recently, after Chuck Luckman closed his program of meatless and eggless days he gave a dinner at the Statler Hotel here in Washington a few days ago that for its lavishness has probably not been exceeded since the spending days of Harry Hopkins.

Mr. Speaker, Mr. Luckman entertained 100 guests, members of the great Lever Bros. combination, with a few of his administration friends also invited. It must have been a big check that cheerful Chuck picked up at the close of the festivities.

The party was preceded with a happy hour of cocktails mixed from the choicest beverages to sharpen their appetites for the feast to follow. And you will note from the menu following there were two kinds of meat in addition to fish and fowl. Certainly Chuck had forgotten the great campaign he had just tried to put across to save food.

The following is the menu which I believe will be of interest to the good, solid, honest American people who the propagandists in Washington, over the air,

and through the press are constantly trying to influence and at times try to deceive: Shrimp cocktail, fried oysters, crabs, shrimp and lobster gumbo, curried chicken, roast turkey, baked ham, roast beef, string beans au gratin, fried apple rings, pickled walnuts, celery, olives, pickles, rye rolls, assorted ice cream, assorted finger rolls, coffee.

Mr. Speaker, this is only one page of current history that the administration continues to unfold in Washington week after week. Their policy of crisis after crisis, their policy of propagandizing the people in an effort to control their thinking is a continuous performance. I still have confidence that the sound, solid honest American people have the intelligence to see through the mist of fog and confusion and to separate the truth and facts from fiction and falsehoods. Such people have builded and preserved our proud Nation to date. Their immediate responsibility and for the future is to be alert, watchful, and on guard in an effort to help preserve our Government and direct its course in the best interest of all our people.

### "Insiders" Charged in Stassen's Doylestown, Pa., Address

#### EXTENSION OF REMARKS OF

#### HON. GEORGE MacKINNON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 19, 1947

Mr. MACKINNON. Mr. Speaker, on December 10, 1947, former Gov. Harold E. Stassen of Minnesota delivered an address at Doylestown, Bucks County, Pa., in which he charged "insiders" in the present administration with "profiteering in food." Edwin W. Pauley, special assistant to the Secretary of the Army, was specifically named. Subsequent disclosures have proved the truth of the charges made with respect to the special assistant to the Secretary of the Army, and this House today designated a special committee under the chairmanship of Representative AUGUST H. ANDRESEN to further investigate the charges.

Because of the Nation-wide repercussions which followed the Doylestown speech, I include the full text thereof, under leave to extend my remarks. I also include the full text of a bill I have this day introduced to make it a criminal offense for persons having access to "inside" information on governmental purchases to speculate in commodity futures:

ADDRESS OF HON. HAROLD E. STASSEN,  
OF MINNESOTA

Mr. Chairman, fellow citizens, the No. 1 problem in America today is the "too high prices of the necessities of everyday life. Prices are already out of reasonable reach for millions of people and cause difficulty in almost every home in the Nation.

Postwar world-wide shortages of food and clothing and materials inevitably cause a problem of high prices. But prices are unnecessarily higher than they should be, due

to six major derelictions and mistakes of the present national administration.

I charge that the national administration has failed to use its power of export controls to safeguard American prices, and permitted needless extreme competition for scarce American food.

I charge that insiders in the national administration have engaged in profiteering in food which has raised the price of food to the American people.

I charge that the departments of Government have been guilty of hoarding scarce commodities in a manner that has increased prices.

I charge that the administration has carried on its own purchasing program under a method which has placed extra pressure on prices.

I charge that the President by his veto of the first OPA extension law ended controls too quickly and too suddenly.

I charge that the President misled American labor in his postwar addresses claiming that wages could be raised without higher prices and thereby set off a heavy round of strikes with vital loss of production and increased inflation.

I know that this is strong language, but frankly I have become disgusted with the petty political tactics of the administration in trying to shift the blame to the Republican Party for the current high prices.

I have today written to the majority leader in the House of Representatives of the Congress, the Honorable CHARLES HALLECK, urging that a major public investigation be conducted by the appropriate committee of Congress of the actions of the administration and of officials and insiders of the administration in the price situation to bring out all the facts as a basis for corrective legislation.

It is necessary that there be an official investigation with power of subpoena as we cannot otherwise get at the exact facts. In support of the necessity of an investigation to bring out the facts, I quote to you an exchange of telegrams which I have had with Edwin W. Pauley, an assistant to the Secretary of War and the former treasurer of the Democratic National Committee.

On November 17, 1947, I wired Mr. Pauley as follows:

"I have received persistent reports that you have made substantial purchases of wheat, substantial sales of wheat, substantial purchases of other food commodities, and heavy sales of other food commodities during the year 1947. I request a telegraphic reply, collect to me, at my St. Paul, Minn., office, 707 Pioneer Building, as to whether or not any one of these four reports is true and including any other comment which you wish to make up to 1,000 words in length."

On November 20, 1947, he replied as follows:

"Following telegram bearing your signature received at my office Tuesday: 'Personal; I have received persistent reports that you have made substantial purchases of wheat substantial sales of wheat, substantial purchase of other food commodities, and heavy sales of other food commodities during the year 1947. I request a telegraphic reply, collect to me, at my St. Paul, Minn., office, 707 Pioneer Building, as to whether or not any one of these four reports is true and including any other comment which you wish to make up to 1,000 words in length.' Please wire whether this was sent by you and, if so, in what capacity and why.

"EDWIN W. PAULEY."

On November 21, 1947, I responded as follows:

"In reply to your telegram of November 20 and in response to your questions, I did send the telegram which you quote. I sent it in my capacity as a citizen to you as a prominent official in the Government for the



## V. GENERAL METHODS OF OPERATION

1. Student service: Recently the Booker T. Washington Birthplace Memorial made a limited survey to ascertain how many adult learners would be interested in enrolling in training classes designed to prepare a better class of labor for industry's needs. As a result of this survey, we have on file more than 6,000 applicants who are eager to enter such classes. A large number of these are people who wish to qualify to work in hotels, restaurants, laundries, and other service occupations. A similar survey will be made in the district area. Applicants from these two sources will serve as an immediate student list.

2. Number of students and types of instruction: The facilities available in the buildings under discussion would make possible training quarters for 300 students at a time. These will be kept in training for 3 months. During this time the following qualities and subjects will be taught:

(a) Efficiency in those branches of service required of waiters and other hotel and restaurant employees;

(b) Personal cleanliness, courtesy, and the right attitude toward work;

(c) Promptness, regularity, accuracy and dependability;

(d) The high ideals of service, of thrift, and citizenship as stressed by Booker T. Washington.

3. A safeguard to public health: The question of health will be particularly stressed in this program. Disease germs are no respecter of class or color. Millions of service workers—cooks, waiters, laundresses, maids, bell-hops, etc., daily prepare food, wash dishes, clothes and other materials, used by those for whom they serve. If these workers are not clean and healthy—particularly free of social diseases; if they are not taught to live under sanitary conditions themselves, the disastrous effect upon the public whom they serve will be inevitable. This particular service alone is of sufficient importance to the health of our Nation to justify a training center at the Nation's Capital of the type that Slowe and Carver Halls can make possible.

4. Intern work—Washington hotels and restaurants: The hotels and restaurants of Washington will be asked to cooperate in this movement to train a more efficient labor supply for service occupations. After students have been trained at the National Institute of Industrial Training, they will serve their internship in hotels and restaurants in Washington and neighboring areas. Hotel managers and those responsible for the supervision of these workers will file with the National Institute of Industrial Training any complaints, lack of efficiency, or shortcomings that these trainees may have. These will be taken up with the workers personally with the view of making them highly desirable workers in every respect for hotel and restaurant service throughout the country. As time goes on, larger areas will be serviced by workers from the National Institute of Industrial Training. Thus will this unit gradually render a national service for hotels, restaurants, laundries, and other service occupations and the American home.

5. A program of service for the National Capital: Under such a set-up, the hotel and restaurant service in the Nation's Capital will become the best in the country. This is as it should be. Those who are responsible for the running of the world's greatest Nation should surely have smooth-running, efficient headquarters in which to live. Making possible the establishment of this National Institute of Industrial Training in Slowe and Carver Halls will insure the existence of such conditions. In addition, hotels, restaurants, and homes over the Nation will also be benefitted by giving us the opportunity to acquire the buildings under discussion.

6. Better workers' institutes: At given intervals better workers' institutes will be held as a part of the program of the National Institute of Industrial Training. These will consist of a series of short courses designed to give the worker on the job a larger vision of the importance of industry in general and of his own job in particular. These institutes will serve, too, as a measuring rod by which workers may judge their own efficiency. Attendance at these institutes will be stimulated by awards of merit for good work and newspaper publicity for outstanding services. A trip to the Nation's Capital by the ordinary workingman will, in itself, be a stimulant to greater and better service.

7. Sanitation institutes: The Sanitation Research Foundation of Louisville, Ky., has accumulated a wealth of experience and material that can be made to contribute in a large way towards national health and industrial efficiency. This foundation has agreed to cooperate with the Booker T. Washington Birthplace Memorial in its field services. Sanitation institutes will play an important part in the program of the National Institute of Industrial Training.

8. Certificates of attendance: Workers attending the National Institute of Industrial Training, and measuring up to given standards, will be awarded certificates of attendance at the close of their training periods.

"I believe that when one can grow to the point where he loves his work, this gives him a kind of strength that is most valuable." (Booker T. Washington.)

## VI. FACULTY AND PERSONNEL

All persons serving as faculty or personnel members will be expertly trained for the jobs which they are selected to fill. In addition to this, they must be in thorough sympathy with the workingman's problems, must have first-hand knowledge of labor routine, and must have a respect for the ideas of "glorifying and dignifying labor and putting brains and skill into the common occupations of life." Like Booker T. Washington, they must be sincere in their efforts to help the man farthest down.

"There is nothing so trying and discouraging to any man who has control of any business or who is responsible for anything as to be surrounded by a number of persons who are continually giving excuses instead of service." (Booker T. Washington.)

## VII. OVER-ALL CONTRIBUTION THAT THIS PROGRAM CAN AND WILL MAKE TO NATIONAL EFFICIENCY AND WELFARE

1. Effect upon the Negro: At least 95 percent of America's adult Negro population must sell its labor in order to earn a living. If this labor is to command a price sufficient to earn a livelihood in keeping with the American standard, it must be trained. Under our present educational set-up, but little consideration is given to offering training to workers of low educational status. The program of the Booker T. Washington Birthplace Memorial is designed especially for workers of this type. The use of Slowe and Carver Halls as a national institute of industrial training will, by making training opportunities possible to thousands of these people, help them to sell their labor to the best possible advantage. These, in turn, will be better fitted to bear their share of local, State, and National responsibility.

2. Effect upon industry: Food-serving industries, service occupations, manufacturers, and similar industries use a large percent of unskilled labor. If a better supply of labor can be supplied for these industries, the effect will be both profitable and far-reaching. The Federal Government, in helping to make possible facilities to train a better trained supply of workers along lines indicated, will contribute to the well-being of these industries and through them to the Nation in general.

3. Dining-car service: Thousands of Negroes are employed in this occupation. Each summer thousands of young Negro boys work in this service to earn money to attend school. If these workers can be given short, intensive courses in the National Institute of Industrial Training, the traveling public will be better served, food waste will be cut down, and the public health more closely safeguarded.

4. Pullman service: Transportation systems of the country take care of a large number of workers in their Pullman services. A large percent of the people who use such services are important—that is, they are business men and women, lawmakers, professional people, etc. These people are of sufficient value to the country to be given the benefit of efficient service. The training offered at the National Institute of Industrial Training would give to this industry a large supply of better trained workers.

"There is little hope in this world or in the other world for any people until the people of this world have learned the disgrace of idleness and the dignity and beauty of all kinds of labor." (Booker T. Washington.)

## VIII. THE INSPIRATIONAL AND MORAL EFFECT OF THIS UNDERTAKING

Lucy Diggs Slowe, in whose honor Slowe Hall was named, and George Washington Carver, world-famed scientist, whose name Carver Hall bears, were both untiring workers who believed firmly in Booker T. Washington's idea of glorifying and dignifying labor. To use these buildings to carry out Booker T. Washington's idea of helping the masses of Negroes to help themselves to the extent that they can be proud and make their race and Nation proud of them will be an inspiration to Negroes everywhere. Humble workers who can come to the Nation's Capital and get the spirit of these two fine Americans will go back home fired to the extent that they can pass on to the people of their villages and towns a profound and abiding interest in our National Government and its interest in the welfare of its humble working people.

"The average person going to work becomes a regular machine, never giving the matter of improving the methods of his work a thought." (Booker T. Washington.)

## IX. SOURCE OF SUPPORT FOR NATIONAL INSTITUTE OF INDUSTRIAL TRAINING

1. Industry: Because the program of the National Institute of Industrial Training is one that specifically meets today's needs in many occupations that affect thousands of people, there is no doubt of the support that will be given it. Hotel organizations, transportation services, owners and operators of service occupations, and industry in general will support this movement in proportion to the facilities that are made available to help in the doing of this job.

2. Permanent and transient guests: Revenue from permanent and transient guests in the buildings will be another source of support. The buildings under discussion have room space to accommodate 300 guests with sufficient space remaining to be converted into housing quarters for 300 or more students.

3. Scholarship: Since the work of the National Institute of Industrial Training will effect such a large and varied field, many individuals can be induced to give scholarships as a source of support.

4. Fraternal organizations: J. Finley Wilson, grand exalted ruler of the I. B. P. O. E. of W.; Ligon Wilson, deputy grand master of Negro Masons; the grand chancellor of the Knights of Pythians, are all members of the board of trustees of the Booker T. Washington Birthplace Memorial. All of these are deeply interested in this project and will give their support and that of their organizations to this undertaking.



5. Religious groups: Dr. D. V. Jemison, president of the 4,000,000 members of the National Baptist Convention; Dr. Henry Allen Boyd, secretary of the National Baptist Publishing Board; Dr. G. Lake Imes, field representative for the Presbyterian Church and Christian Missions, are all members of our board of trustees. The bishops council of the Methodist Church is deeply interested in the undertaking.

6. The Booker T. Washington memorial half dollar: The Seventy-ninth Congress authorized the coinage of 5,000,000 Booker T. Washington memorial half dollars to be sold at a premium to help in the program of the Booker T. Washington Birthplace Memorial. Through the establishment of the National Institute of Industrial Training, which will affect such a large segment of the American people, the sale of the memorial half dollars will be stimulated, a greater number will be disposed of, and thus greater income assured.

7. General solicitation campaign: On the basis of the number of people affected by this program, the general public will be called upon for its support.

8. Campaigns in special fields: Because of the nature of the work done in the National Institute of Industrial Training, both employers and employees will contribute.

9. Negro industrial training fund: A fund will be established to make possible: (1) an endowment fund; (2) a maintenance fund.

10. Wills and bequests: Many worth-while causes are included in wills and bequests. This program will work toward being so included.

11. Foundations: Efforts will be made to secure the support of both national and private foundations.

12. Federal and State aid: Since this program will contribute to both State and national welfare, Federal and State aid will be sought in connection with this undertaking.

"The world is looking for the person who is thoughtful, who will say at the close of work hours, 'Is there not something else I can do for you? Can I not stay a little later, and help you?'" (Booker T. Washington.)

### Inflation

#### EXTENSION OF REMARKS OF

**HON. HELEN GAHAGAN DOUGLAS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, December 17, 1947*

Mrs. DOUGLAS. Mr. Speaker, Walter P. Reuther, president of the UAW-CIO, speaking yesterday at the National Press Club, charged that both Congress and industry are failing to meet their responsibilities for halting inflation and failing to get the production needed by our own and other peoples.

Noting striking parallels between the needs in the present crisis and the pre-Pearl Harbor days of 1941, when industry insisted on being let alone and doing business as usual and reaping profits as usual, Mr. Reuther warned that to wait for another economic, political Pearl Harbor at this time might mean that we will be forever too late with too little.

He challenged both the NAM, which recently held its own private congress of American industry, and the Congress elected by the American people to act even at this late hour to get the raging fever of inflation out of the economic

system and to apply the allocations, price control and expansion of production facilities that are essential to production.

Speaking of profits, which I discussed yesterday in my remarks, Mr. Reuther pointed out that:

During the first half of 1947, corporation profits before taxes were running at an annual rate of \$29,200,000,000.

In the same period, wages and salaries ran at the rate of \$77,500,000,000.

If corporations had raised their wages and salaries 18 percent, they would still have had profits before taxes of \$14,100,000,000. This would have left them with profits after taxes of \$8,500,000,000.

Such profits are equal to the most profitable prewar (1929) and are more than double their profits in the years 1935-39, which the excess-profits law treats as normal profits.

Applying this record of profits to price reduction, Mr. Reuther stated that, if, instead of raising wages, corporations had applied half their profits before taxes to cutting prices, they would, on the average, have cut the cost of all goods and services to consumers by \$14,000,000,000 a year. This would have been a price cut of 8 percent.

### Amendment to Title VI of the National Housing Act

#### EXTENSION OF REMARKS OF

**HON. ABRAHAM J. MULTER**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, December 19, 1947*

Mr. MULTER. Mr. Speaker, ordinarily I would not take time to speak in support of a measure which has been unanimously reported out of the committee of which I am proud to be a member, and the passage of which bill seems assured. I do so, however, in this instance for reasons which will at once become apparent. The bill will permit the continuance of the present program, which is making available some housing facilities. It by no means will relieve the housing situation entirely.

I believe that the early enactment of the Taft-Ellender-Wagner bill will aid considerably in accomplishing that end. That, too, however, will be but one more step in the desired direction. Unless and until substantially more building materials, at substantially lesser prices, become available, no real progress can be made in relieving the housing shortage.

At this moment it seems unlikely that any legislation to that end will be accomplished at this session. The enactment of such legislation, coupled with legislation implementing the program as outlined by the President, should be made the first order of business when Congress reconvenes in 1948.

While voicing my support of this bill, I believe it imperative that the attention of the authorities be directed to the fact that complaints are increasing from all quarters that houses are being sold to veterans at greatly inflated prices, and

that already these houses are showing the effects of bad materials and sloppy workmanship. Increased costs of new houses has been blamed by many upon increased wages. The fact is, however, that the percentage of increased costs of materials since the end of the war has been almost three times that of labor costs.

Unless there is stricter supervision and inspection of these houses, and more stringent appraisals, we may find many of these houses reverting to the mortgagees within the next 3 or 4 years.

### Accidental Death Rate in Connecticut

#### EXTENSION OF REMARKS

OF

**HON. ANTONI N. SADLAK**

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Thursday, December 18, 1947*

Mr. SADLAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article which appeared in the Hartford (Conn.) Daily Courant on Sunday, December 14, 1947, concerning the death rate in Connecticut. I want to call your attention to the fact that on January 21, 1947, I had inserted in the RECORD an editorial from the Hartford Daily Courant entitled "Infant Mortality," which indicated, according to the records of the United States Public Health Service, that infant mortality in the United States had declined 38.3, the lowest in history, and was bettered only by Australia with 29.4 and Sweden 29.6. Connecticut's record was far superior to most sections of the country with an infant mortality rate of 29.9. This excerpt shows that Connecticut is not only an excellent State to be born in, but it is a good State to live in, as it leads all the States, according to the report filed with the State highway safety commission by the National Safety Council, in that it has the lowest rate for all accidental deaths, in spite of the fact it has substantially increased in population since the last decennial census.

The article follows:

**STATE HOLDS LOWEST ROAD DEATH RATE—RATIO OF 48.3 PERCENT WELL UNDER 70.5 FOR UNITED STATES, SAYS COMMISSION**

Connecticut continues to lead the country in lowest rate for all accidental-death experience, according to a report filed Saturday with the State highway safety commission by the National Safety Council.

The Connecticut rate of 48.3 violent deaths a 100,000 population just shades the rate of 48.4 for Massachusetts. The national rate is 70.5, emphasizing the comparatively low rate recorded by Connecticut. Out of 40 States reporting all types of violent fatalities to the National Safety Council, only Connecticut and Massachusetts registered a rate below 50 deaths per 100,000 population.

**INCLUDES ALL FATALITIES**

The report includes all fatalities caused by violent experience in any form in any place in the State. Connecticut reported 732 such deaths for the first 9 months of this year compared with 750 cases for the same period last year. The decrease of 18 cases is slightly less than a 3-percent drop. The National Safety Council reports an estimated 9-month











December 28, 1947.

CONFIDENTIAL: The following Statement by the President MUST BE HELD IN STRICT CONFIDENCE until released.

NOTE: Release is automatic to all newspapers and radio stations at 6 o'clock P.M., Eastern Standard Time, today, Sunday, December 28, 1947.

PLEASE GUARD AGAINST PREMATURE PUBLICATION OR RADIO ANNOUNCEMENT

CHARLES G. ROSS  
Secretary to the President

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I am signing Senate Joint Resolution 167 with a sense of deep disappointment that the Congress has seen fit to take such feeble steps toward the control of inflation.

At a time when nearly everyone in this Nation is feeling the pressure of exorbitant prices, the Congress has enacted a bill that is pitifully inadequate as a weapon against the high cost of living.

I sign the bill reluctantly, but feel that I must do so because it contains some measures that are needed now.

On November 17, 1947, I recommended to the Congress a ten-point anti-inflation program. I emphasized that all ten points were essential to an effective program to win the battle against inflation.

Senate Joint Resolution 167 contains appropriate legislation with respect to only three of the ten points that were recommended. And these three points are of minor importance compared with the others.

This bill fails to **include** the key measures which are essential to an effective anti-inflation program.

This bill will not reduce the high cost of living and it will not keep prices from going even higher.

The meager authority contained in the bill will be utilized to the fullest extent by the Government, but the public must not be misled into believing that this bill will do the job. I would be shirking my responsibility if I did not protest against the obvious insufficiency of this legislation.

The three points, out of the November 17 ten-point program, which this bill covers are: extension of export controls, extension of allocation authority over transportation facilities and equipment, and authorization for expansion of the Department of Agriculture program of encouraging conservation practices in this country and authorization of measures designed to increase the production of food in certain foreign countries. The bill also includes authority to limit the use of grain for distilled liquors, but only for a period of five weeks.

The bill contains, in sections 2 and 6, provisions which are not in accord with my recommendations. These provisions are of doubtful value at best. If they are used as an excuse for delaying the enactment of a sound anti-inflation program, they will do far more harm than good.

Section 2 undertakes to **authorize** a system of voluntary agreements among businessmen for the allocation of transportation facilities and equipment, for the allocation and inventory control of scarce commodities, and for the regulation of speculative trading on commodity exchanges. These agreements, if approved by the Attorney General, would be accompanied with an exemption from liability under the anti-trust laws.







As the report of the Senate Committee on this legislation pointed out, "It should be definitely understood that this part of the program is purely voluntary. No representatives of industry, business, and agriculture would be compelled to consult with the President. Neither would they be compelled after consultation to enter into any agreement."

The inability of the Government to protect the interests of the people under this section is apparent.

If the members of an industry refuse to make an agreement, there is nothing the Government can do to see that a program is developed for that industry.

If the members of an industry reach an agreement which is inadequate or contrary to the public interest, there is nothing the Government can do to improve it.

If some members of an industry refuse to enter an agreement, or refuse to carry it out when it has been made, there is nothing the Government can do to assist the public-spirited members of the industry to make the agreement effective throughout the industry.

Every effort will be made, of course, to achieve whatever results are possible under this system of voluntary agreements. It is far too late in the fight against inflation, however, to place our main reliance upon voluntary action.

Efforts to obtain voluntary action by businessmen have already been extensively tried. Repeatedly during the past year I have urged voluntary price reductions. Other government officials have attempted in many conferences with business leaders to persuade them of the necessity for making voluntary price reductions. While these efforts to obtain voluntary price reductions have produced some results, they have been wholly insufficient to stem the tide of rising prices.

The Government has also made intensive efforts to encourage conservation practices which help to reduce inflationary pressures. These efforts have accomplished much good, but they have demonstrated that voluntary measures are not sufficient to insure a fair sharing and the most effective use of vital commodities which are critically scarce.

The voluntary methods authorized by Section 2, in the absence of reserve powers to back them up, can therefore be expected to accomplish little.

Another part of the bill which gives me great concern is Section 6. This section proposes that the President submit to the Congress extremely detailed and specific recommendations for mandatory conservation measures for scarce commodities. Presumably the Congress would then determine in each case whether the conservation measures proposed by the President should be adopted, and what the details of the measures should be, and pass legislation authorizing them to be put into effect.

It has long been an established practice for the Congress to enact regulatory measures in general terms, leaving it to the administrative agencies to determine when the measures should be applied on the basis of the standards and conditions established by the Congress. This has proved to be a practicable and workable system. Section 6 of this bill now proposes substantially to reverse this historic process.

Under the provisions of this section, the recommendations which the President is to submit to the Congress can be prepared in the prescribed manner only when the need for mandatory conservation measures is so acute that they should be put into effect immediately. Under the normal operation of our governmental system, when an administrative agency had made this kind of determination, it would put the measures into effect at once. But the only course of action authorized under this section is for the President to submit recommendations to the Congress.







Even if the Congress should pass legislation in accordance with the recommendations it would take considerable time. Then, it would still be necessary to establish the administrative machinery which would put the conservation measures into effect. If rationing were authorized, for example, it would still take some months to print and distribute the necessary forms and documents. Furthermore, lengthy Congressional discussion of specific controls would invite speculation, hoarding, dumping, and other actions to circumvent whatever program might be established.

If the procedure under Section 6 is to be relied upon for dealing with critical shortages, it is hardly possible that effective measures can be taken in time.

The ten-point program which I presented to the Congress on November 17 requested basic authority to deal with inflation. It included a request for authority to regulate consumer credit and business credit; authority to regulate the distribution of scarce commodities which basically affect the cost of living or industrial production; authority to extend and strengthen rent control; and authority to utilize, on a selective basis, rationing and price control for essential cost of living items and essential industrial products.

The bill which the Congress has enacted fails to include any of these necessary elements.

During the six weeks since I addressed the Congress on November 17, and pointed out the alarming course of inflation, prices have continued to rise.

When I spoke to the Congress, a pound of butter in Washington, D.C., cost 88 cents. Last week, here in Washington, butter reached a new high price of \$1.05.

In the last six weeks, men's street shoes in Pittsburgh have gone up from an average of \$8.72 a pair to \$9.38.

In this same period the price of hogs in Chicago has risen from \$24.75 a hundred pounds to \$26.40.

A few days ago in Omaha the price of steers reached a new all-time high of \$40.00 a hundred pounds.

Since November 17 the price of gasoline has risen in Los Angeles from 21.5 cents a gallon to 23.3 cents.

Inflation and the high cost of living confront the American people -- all the American people -- with a grave danger. Unchecked inflation can bring on a serious depression that can cause untold hardship.

The Legislative and Executive Branches of the Government must work together if this grave peril is to be conquered.

The American people look to the Congress to pass legislation adequate to perform this all-important task.

I trust that when the Congress returns it will promptly enact an effective, workable program. X







IMMEDIATE RELEASE

January 3, 1948

## STATEMENT BY THE PRESIDENT

I have signed today an Executive Order<sup>9919</sup> which delegates certain authority vested in me by S. J. Res. 167 which I signed on December 30.

Responsibility for consulting with representatives of industry, business and agriculture in reaching voluntary agreements has been delegated to those departments and agencies whose functions are most closely related to the commodities concerned. The Secretary of the Interior will be responsible for agreements relating to priorities, allocations and inventory control of coal, coke, petroleum and petroleum products, and natural and manufactured gas. The Secretary of Agriculture will be similarly concerned with agreements relating to agricultural commodities and with respect to speculative trading on commodity exchanges. Agreements involving allocation of transportation facilities and equipment are made the responsibility of the Director of the Office of Defense Transportation. Responsibility for all other agreements authorized by the resolution is assigned to the Secretary of Commerce. The Order provides that prior to final approval all such agreements must be submitted to and approved by the Attorney General.

The Secretary of Commerce will continue his present responsibility for the administration of export controls, as will the Director of the Office of Defense Transportation for controls with respect to the use of transportation equipment and facilities by rail carriers. The Secretary of Agriculture, in carrying out the food and feed conservation program authorized by the resolution, will work in close collaboration with, and utilize the facilities of, the Cabinet Food Committee, which continues to be responsible for carrying on the consumers' food conservation program.

The Order provides that each agency concerned shall establish such committees and other working groups as may be appropriate to consult with and obtain the advice of other agencies and, to this end, I have addressed the attached letter to the heads of the agencies concerned requesting that they establish a suitable interagency working committee to promote close working relations and to make recommendations with respect to common policies and procedures in the administration of the program.

OVER



EXECUTIVE ORDER

9919

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DELEGATING AUTHORITY AND ESTABLISHING PROCEDURES  
UNDER THE JOINT RESOLUTION APPROVED DECEMBER 30,  
1947

By virtue of the authority vested in me by the joint resolution approved December 30, 1947 (Public Law 395, 80th Congress), and as President of the United States, it is hereby ordered as follows:

1. The authority to consult with representatives of industry, business, and agriculture with a view to encouraging the making of voluntary agreements or plans provided for in section 2 of the said joint resolution of December 30, 1947 (hereinafter referred to as the joint resolution), and the authority to approve any such agreements or plans and to make written requests for compliance with any such agreements or plans is delegated severally to the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, and the Director of the Office of Defense Transportation as provided in paragraphs 2, 3, 4, and 5 hereof: Provided, however, that no such agreement or plan shall be approved by any of such officers unless it is first submitted to and approved by the Attorney General. The consultation above referred to may be through advisory committees approved by the appropriate governmental officer or agency as representative of the various segments of the industry involved. Prior to submitting any such proposed agreement or plan to the Attorney General the appropriate governmental officer or agency shall give industry, labor, and the public generally an opportunity to present their views with respect to the agreement or plan. The submission of the proposed agreement or plan to the Attorney General shall be accompanied by the favorable recommendation of the head of the appropriate department or agency and by a statement of (a) the circumstances which require the proposed agreement or plan, (b) the means by which the agreement or plan will be carried out, (c) the effect of the agreement or plan on persons and industries affected, including where appropriate the proposed degree of curtailment in amount and prospective use of any material, commodity, or product by any processor or user thereof, and the formulae for such curtailment, (d) the criteria used in the establishment of such formulae, and (e) the factual evidence on which the recommendation for approval is made, showing which information, if any, is subject to restrictions for reasons of military security.

2(a). The authority delegated to the Secretary of the Interior by paragraph 1 hereof shall be exercised by him with respect to priority, allocation, and inventory control of fuels.

(b). For the purposes of this order the term "fuels" means coal, coke, petroleum and petroleum products, and natural and manufactured gas.

3(a). The authority delegated to the Secretary of Agriculture by paragraph 1 hereof shall be exercised by him with respect to priority, allocation, and inventory control of agricultural commodities and with respect to speculative trading on commodity exchanges.

(b). For the purposes of this order, the term "agricultural commodities" means all commodities and products, simple, mixed, or compound, or complements to such commodities or products that are or may be eaten or



DECEMBER 30, 1947

## EXECUTIVE ORDER

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DELEGATING TO THE SECRETARY OF AGRICULTURE  
THE AUTHORITY VESTED IN THE PRESIDENT BY  
SECTION 4(b) OF THE JOINT RESOLUTION APPROVED  
DECEMBER 30, 1947

By virtue of the authority vested in me by sections 4(b) and 5 of the Joint Resolution approved December 30, 1947, entitled "Joint Resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes," and as President of the United States, the powers, authority, and discretion vested in the President under section 4(b) of the aforesaid joint resolution, reviving and reenacting Title III of the Second War Powers Act, 1942, for certain purposes, are hereby included within the powers, authority, and discretion delegated to the Secretary of Agriculture under Executive Order No. 9280 of December 5, 1942 (7 F.R. 10179), as amended or modified by Executive Orders No. 9322 of March 26, 1943 (8 F.R. 3807), No. 9334 of April 19, 1943 (8 F.R. 5423) and No. 9577 of June 29, 1945 (10 F.R. 8087).

The said Executive orders are modified accordingly.

HARRY S. TRUMAN

THE WHITE HOUSE,

December 30, 1947.







drunk by human beings or animals, irrespective of other uses to which such commodities or products may be put, and at all stages of processing from the raw commodity to the product thereof in a vendible form for immediate human or animal consumption, but exclusive of such commodities and products as the Secretary of Agriculture shall determine. For the purposes of this order, the term "agricultural commodities" shall also include all starches, sugars, fats and oils of animal, vegetable, or marine origin (including oil seeds and other oil bearing materials, fatty acids, soap and soap powder), cotton, tobacco, wool, hemp, flax fiber, and alcohol, and also such other commodities and products as the President may designate.

4(a). The authority delegated to the Director of the Office of Defense Transportation by paragraph 1 hereof shall be exercised by him with respect to allocation of transportation facilities and equipment.

(b). The powers, authority, and discretion conferred on the President by section 4(a) of the joint resolution with respect to the use of transportation equipment and facilities by rail carriers are hereby included within the powers, authority, and discretion delegated to the Director of the Office of Defense Transportation under Executive Order No. 8989 of December 18, 1941 (6 F. R. 6725), as amended by Executive Order No. 9389 of October 18, 1943 (8 F. R. 14183), Executive Order No. 9156 of May 2, 1942 (7 F. R. 3349), Executive Order No. 9214 of August 5, 1942 (7 F. R. 6097), and Executive Order No. 9729 of May 23, 1946 (11 F. R. 5641). The said Executive orders are amended accordingly.

5. The authority delegated to the Secretary of Commerce by paragraph 1 hereof shall be exercised by him with respect to priority, allocation, and inventory control of scarce commodities which basically affect the cost of living or industrial production, other than fuels as provided in paragraph 2, agricultural commodities as provided in paragraph 3, and transportation facilities and equipment as provided in paragraph 4.

6. The Secretary of Agriculture is hereby authorized to carry out a program for the conservation of food and feed and for that purpose to exercise the authority conferred upon the President by section 8 of the joint resolution.

7. The Secretary of Commerce is hereby authorized to continue exercising the powers, authority, and discretion conferred upon the President by section 6 of the act of July 2, 1940, 54 Stat. 714, as amended. Such powers, authority, and discretion, and the powers, authority, and discretion vested in the President by section 3 of the joint resolution are hereby included within the delegation made to the Secretary of Commerce by Executive Order No. 9630 of September 27, 1945 (10 F. R. 12245), and the said Executive order is modified accordingly.

8. Each governmental officer or agency exercising authority delegated under this order shall, in exercising such authority, consult with other agencies or committees having special information or sources of such information about the supply of or demand for the materials, commodities, or facilities involved and with other agencies or committees having responsibilities related to such authority. Each agency shall establish such committees and other working groups as may be appropriate to consult with and obtain the advice of other agencies.



9. Nothing in this order shall be deemed to affect the powers, authority, or discretion delegated to the Secretary of Agriculture by Executive Order No. 9915 of December 30, 1947.

HARRY S. TRUMAN

THE WHITE HOUSE

January 3, 1948.



Following is the text of identical letters which the President has sent to the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce and the Director of the Office of Defense Transportation:

"My dear Mr. \_\_\_\_\_:

I have today issued an Executive Order delegating to the Secretaries of Commerce, Interior, and Agriculture and the Director of the Office of Defense Transportation the responsibilities vested in me under S. J. Res. 167, which I signed on December 30.

In order that the activities of the responsible agencies may be most effective, it is my wish that the three Secretaries, the Director of the Office of Defense Transportation, and the Attorney General collaborate as closely as possible in developing plans and carrying on activities to implement their respective responsibilities under the Executive Order, with particular reference to Section 2 of the resolution.

As a first step in this direction, I am asking that each of these officers appoint immediately one of their principal staff members to constitute a working committee to study operations under the Executive Order and make recommendations from time to time to the participating agencies as to procedures to be adopted or other steps to be taken for the purpose of coordinating or otherwise rendering more effective their activities. This group should select its own chairman and arrange to meet as frequently as is necessary to perform its function.

Sincerely yours,

HARRY S. TRUMAN"















[CORRECTED PRINT]

[PUBLIC LAW 395—80TH CONGRESS]

[CHAPTER 526—1ST SESSION]

[S. J. Res. 167]

### JOINT RESOLUTION

To aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### DECLARATION OF PURPOSES

SECTION 1. The purposes of this joint resolution are to aid in stabilizing the economy of the United States, to aid in curbing inflationary tendencies, to promote the orderly and equitable distribution of goods and facilities, and to aid in preventing maldistribution of goods and facilities which basically affect the cost of living or industrial production.

#### VOLUNTARY AGREEMENTS

SEC. 2. (a) In order to carry out the purposes declared in section 1 of this joint resolution, the President is authorized to consult with representatives of industry, business, and agriculture with a view to encouraging the making, by persons engaged in industry, business, and agriculture, of voluntary agreements approved by the President—

(1) providing for allocation of transportation facilities and equipment;

(2) providing for priority allocation and inventory control of scarce commodities which basically affect the cost of living or industrial production; or

(3) providing for regulation of speculative trading on commodity exchanges.

(b) The President is authorized to approve any such agreement which he finds will carry out any of the purposes declared in section 1 of this joint resolution, except that he shall not approve any agreement unless such agreement specifically provides that it shall cease to be effective on or before March 1, 1949, and he shall not approve any agreement which provides for the fixing of prices.

(c) Whenever a governmental officer or agency determines that a plan of voluntary action with respect to any material, commodity, or facility is practicable and is appropriate to the successful carrying out of the policies set forth in said Act, that agency or official may request in writing compliance by one or more persons with such plan of voluntary action as may be approved by the Attorney General. Any act or omission by such person or persons in compliance with a written request made pursuant to this section and with a voluntary plan promulgated thereunder shall not be the basis at any time for any prosecution or any civil action or any proceeding under the anti-trust laws of the United States or the Federal Trade Commission Act.



(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency, by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (e), the provisions of this Act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this Act shall expire upon expiration of section 2 of this Act, and any requests made and voluntary plans adopted under this Act shall have no force or effect six months thereafter.

(g) As used in this section the term "person" means an individual, corporation, partnership, or association.

#### EXPORT CONTROLS

SEC. 3. (a) Section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out "February 29, 1948" and inserting in lieu thereof "February 28, 1949".

(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such Act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark ups in export prices over domestic prices.

#### ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

SEC. 4. (a) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, shall continue in effect to and including February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of transportation equipment and facilities by rail carriers.

(b) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, is hereby revived and reenacted for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of grain for the production of distilled spirits or neutral spirits for beverage purposes. The authority granted by this subsection shall expire on January 31, 1948.

#### DELEGATION OF AUTHORITY

SEC. 5. The authority granted to the President by section 2 of this joint resolution and, notwithstanding the provisions of section 6 of the Second Decontrol Act of 1947, the authority granted to the Presi-



dent by section 4 of this joint resolution and by section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended, may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

#### CRITICAL SHORTAGES—RECOMMENDATIONS BY THE PRESIDENT

SEC. 6. (a) Whenever the President shall determine that there is or threatens to be a critical shortage of any raw material, commodity, or product which jeopardizes the health or safety of the people of the United States or its national security or welfare and that there is no prospect that such critical shortage may soon be remedied by an increase in the available supply without additional governmental action and that the situation cannot be solved by voluntary agreement under the provisions of this Act, he may prepare proposed measures for conserving such raw material, commodity, or product which he shall submit to the Congress in the following form:

(1) A statement of the circumstances which, in the President's judgment, require the proposed conservation measures.

(2) A detailed procedure for the administration of the proposed measures including the additional budget and additional personnel required for their enforcement.

(3) The proposed degree of curtailment in current and prospective use of each such raw material, commodity, or product by each processor and/or user thereof, including the specific formulae proposed for such curtailment with respect to each class or classes of processors or users and the criteria used in the establishment of such formulae.

(4) A complete record of the factual evidence upon which his recommendations are based, including all information provided by any agency of the Federal Government which may have been made available to him in the course of his consideration of the matter.

(b) Within fifteen days after the submission of such proposed conservation measures, the Joint Committee on the Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

#### PRODUCTION OF FOODS IN NONEUROPEAN FOREIGN COUNTRIES

SEC. 7. Notwithstanding any other provision of law, in order to alleviate and prevent shortages in foods, agricultural commodities, and products thereof, Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guaranties, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: *Provided*, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within sixty days thereafter.



## FOOD AND FEED CONSERVATION PROGRAM

SEC. 8. (a) In order to alleviate shortages in foods and feeds, and to assist in stabilizing prices, the President shall carry out a program for the conservation of food and feed. In carrying out such program, the President is authorized, through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other voluntary and cooperative measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices. The authority herein conferred may be exercised by the President through such departments, agencies, independent establishments, and officials of the Federal Government and such State, local, and private agencies as he may determine.

(b) There is hereby authorized to be appropriated to the President such sums as may be necessary to carry out this section. To enable the President to carry out this section for the remainder of the fiscal year ending June 30, 1948, there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. Funds made available for the purpose of this section may be used for necessary administrative expenses, including personal services in the District of Columbia and elsewhere, purchase or hire of motor vehicles, temporary or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, without regard to the civil service and classification laws (the compensation of any such individual not to exceed \$50 per day). Funds made available for the purposes of this section may be allotted for any of the purposes of this section to any department, agency, or independent establishment of the Government, or transferred to any other agency requested to assist in carrying out this section. Funds allotted to any department, agency, or independent establishment of the Government shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., title 41, sec. 5, and title 31, sec. 529).

## AUTHORIZATION FOR APPROPRIATIONS

SEC. 9. There is hereby authorized to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of this joint resolution.

Approved December 30, 1947.







